

Appellant's
Appendix In
Lieu of Clerks
Transcript.

missing pp. 271, 278.

9/16/85

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Santa Monica, CA 90403

(213) 820-4676

Attorneys for Plaintiff

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FILED: 8/2/82

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

Plaintiff,

v.

GERALD ARMSTRONG, DOES 1
through 10, inclusive.

Defendants.

No.

C120153

COMPLAINT FOR CONVERSION
[CCP 3336], BREACH OF
FIDUCIARY DUTY, IMPRESSION
OF A CONSTRUCTIVE TRUST
AND DECLARATORY AND
INJUNCTIVE RELIEF [CCP 1060]

Plaintiff, CHURCH OF SCIENTOLOGY OF CALIFORNIA, as a Com-
plaint for Conversion, Breach of Fiduciary Duty, Impression of a
Constructive Trust and Declaratory and Injunctive Relief, al-
leges as follows:

I.

GENERAL ALLEGATIONS

1. Plaintiff is informed and believes and thereupon al-
leges that Defendant GERALD ARMSTRONG (hereafter, "Defendant
Armstrong" or "Armstrong") is currently a resident of Orange
County, California, and at various times herein mentioned has
been a resident of Los Angeles and Riverside Counties.

2. Plaintiff is presently unaware of the true names and capacities of Defendants sued herein as DOES 1 through 10, inclusive, and therefore sues these Defendants by such fictitious names. Plaintiff will seek leave to amend this complaint to allege the true names and capacities of said "DOE" Defendants when the same are ascertained. Plaintiff is informed and believes and thereupon alleges that each of these fictitiously named Defendants is responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by their conduct.

3. Defendant Armstrong was a member of Scientology from February 1971 until, at least, December 1981, during which time period he was also a member of the Sea Organization, a fraternal organization of highly dedicated Scientologists who are routinely assigned to high level positions of responsibility within various Scientology organizations. Members of the Sea Organization often take special vows of confidentiality, as did Defendant Armstrong in 1979.

4. At all times pertinent to this action, Defendant Armstrong was a staff member of the Church of Scientology of California, Plaintiff herein. Defendant Armstrong was not paid a wage for the performance of his duties as a staff member, but rather he was allocated a weekly allowance, free board and lodging, transportation, uniforms, free Scientology Services and free tuition. Defendant Armstrong accepted this recompense and the opportunity to serve CSC voluntarily and without reservation.

5. Plaintiff, CHURCH OF SCIENTOLOGY OF CALIFORNIA (hereafter, "Plaintiff" or "CSC"), is a not for profit corporation

1 organized and existing by virtue of the laws of the State of
2 California. It is a religious organization and is one of the
3 worldwide Churches of Scientology. Its principal place of busi-
4 ness is 4833 Fountain Ave., Los Angeles, California, located
5 within the Central District of this Court.

6 6. Commencing in January 1980 and continuing thereafter
7 through December, 1981, Defendant Armstrong was responsible for a
8 project which involved collecting, cataloguing, preserving, and
9 otherwise maintaining information, artifacts and memorabilia
10 concerning the religion of Scientology, its various organiza-
11 tions. Plaintiff CSC, and the founder of the religion
12 of Scientology, L. Ron Hubbard. As a part of his responsibili-
13 ties, Defendant Armstrong was to locate any documents, informa-
14 tion or artifacts pertaining to the early history of Dianetics
15 and Scientology and concerning Mr. Hubbard. Defendant Armstrong
16 was authorized by CSC, at CSC expense, to travel to and inter-
17 view individuals with any knowledge about said history of Diane-
18 tics and Scientology or about Mr. Hubbard, his life, writings,
19 expeditions, or any other matter pertaining to him. Defendant
20 Armstrong was also authorized by CSC to negotiate for the pur-
21 chase of any materials or artifacts that such individuals might
22 possess. This entire area of activity by Defendant Armstrong
23 was known as the "Archives Project" and is so referred to here-
24 in. The Archives Project, at all times pertinent to this
25 action, was located at 4833 Fountain Ave., Plaintiff's principal
26 place of business. All materials contained in the Archives
27 Project, the personal property of Plaintiff CSC.

28 7. One of the primary purposes of the Archives Project was

1 that of gathering and organizing material for an authorized
2 biography of the life of L. Ron Hubbard. In this respect,
3 Defendant Armstrong requested and Plaintiff CSC agreed that
4 Armstrong would be responsible for personally coordinating with
5 the author who had been retained to write the biography, pro-
6 viding the author with any information that he might require,
7 and arranging for any interviews or research that would be of
8 assistance to said author.

II.

10 FIRST CAUSE OF ACTION
(Conversion Pursuant to Civil Code
11 Section 3336)

12 8. Plaintiff repeats and repleads each and every allega-
13 tion contained in paragraphs 1 through 7, above, and incorpor-
14 ates the same herein as though fully set forth hereat.

15 9. At all times herein pertinent to this action, and in
16 particular on or about January 1, 1980 and thereafter, Plaintiff
17 was, and still is, the owner, and was, and still is, entitled to
18 possession of certain personal property, specifically: all docu-
19 ments, manuscripts, memorandum, drafts, memorabilia, artifacts,
20 photographs, video and audio tape recordings and audio record-
21 ings of every kind that constitute the materials to be preserved
22 and maintained by the Archives Project.

23 10. On or about January 1, 1982, and at Los Angeles, Cali-
24 fornia, the above mentioned property had a value to be proved at
25 time of trial.

26 11. Plaintiff is informed and believes and thereupon al-
27 leges that during the performance of his duties as the custodian
28 for the Archives Project, and without authorization from the

1 Plaintiff, Defendant Armstrong did wrongfully take and convert
2 to his own use certain of the original materials contained in
3 the Archives Project. Plaintiff is further informed and be-
4 lieves and thereupon alleges that Defendant Armstrong did take
5 and convert to his own use xerographic and photographic paper
6 and chemicals, and equipment and supplies belonging to Plaintiff
7 CSC which Defendant Armstrong used to make copies, for his own
8 use and purposes, of materials contained within the Archives
9 Project.

10 12. On or about May 26, 27 and June 21, 1982, after dis-
11 covery of the wrongful taking and conversion by Defendant Arm-
12 strong, as aforesaid, Plaintiff made written demand of Defendant
13 Armstrong for the immediate return of its above-mentioned pro-
14 perty but Defendant failed and refused, and continues to fail
15 and refuse, to return the property to Plaintiff. True and cor-
16 rect copies of Plaintiff's written demands for return of the
17 property are attached hereto and collectively designated as
18 Exhibit A and made a part hereof.

19 13. Between the time of Defendant Armstrong's conversion
20 of the above-mentioned property to his own use and the filing of
21 this action, Plaintiff has employed its staff in attempting to
22 determine the extent that materials have been converted from the
23 Archives Project and has further employed attorneys and investi-
24 gators to attempt to regain possession of its property, all to
25 Plaintiff's further damage in an amount to be proved at time of
26 trial.

27 .. The aforementioned acts of Defendant Armstrong were
28 intentional, deliberate, willful, wanton, malicious, oppressive,

1 and were committed with the intent to defraud Plaintiff, and in
2 reckless disregard of the rights of Plaintiff. Plaintiff is
3 therefore entitled to recover exemplary and punitive damages in
4 the amount of \$50,000.00.

III.

SECOND CAUSE OF ACTION
(Breach of Fiduciary Relationship)

5
6
7
8 15. Plaintiff repeats and repleads each and every allega-
9 tion contained in paragraphs 1 through 7, above, and incorpor-
10 ates them herein as though fully set forth hereat.

11 16. By reason of his solicitation and acceptance of the
12 assignment as the custodian of the materials to be collected and
13 maintained in the Archives Project, Defendant Armstrong became a
14 fiduciary to Plaintiff and assumed duties required by law of
15 confidentiality, loyalty, and trust regarding the materials
16 under his custody and control. As a fiduciary to Plaintiff,
17 Defendant Armstrong also assumed a legal duty to safeguard the
18 property of Plaintiff and to engage in no act detrimental to
19 Plaintiff concerning either the use or value of the materials
20 within his custody and control.

21 17. As a fiduciary to Plaintiff, Defendant Armstrong also
22 assumed a duty that he would not personally profit from his
23 position of trust. As a part of his responsibilities as the
24 custodian of the Archives Project, Defendant Armstrong was to
25 coordinate and liaise with the author who was under contract to
26 write an authorized biography of L. Ron Hubbard. Plaintiff is
27 informed and believes and thereupon alleges that Defendant Arm-
28 strong accepted a position as a director on the Board of Direc-

1 tors of Mission-Pilot Publishing Co., which Plaintiff is inform-
2 ed and believes is owned by the author who is under contract to
3 write the subject biography. Defendant Armstrong thereby incur-
4 red a conflict of interest with Plaintiff which constitutes a
5 material breach of Defendant's duty to Plaintiff of trust and
6 loyalty.

7 18. On numerous occasions, and as recently as on or about
8 March 18, 1977, Defendant Armstrong has executed non-disclosure
9 and confidentiality bonds. A true and correct copy of one of
10 such bonds is attached hereto and identified as Exhibit B. By
11 virtue of his membership in the Sea Organization, Defendant
12 Armstrong assumed a fiduciary relationship with Plaintiff, which
13 includes a duty to maintain confidentiality concerning his work
14 within the Church of Scientology of California. Plaintiff is
15 informed and believes and thereupon alleges that Defendant Arm-
16 strong has intentionally and without "legal excuse breached his
17 duty of confidentiality by disclosing confidential information
18 to unauthorized persons.

19 19. Plaintiff is informed and believes and thereupon al-
20 leges that Defendant Armstrong has on numerous occasions breach-
21 ed his duty of confidentiality by disclosing to unauthorized
22 persons information that he obtained in the course and scope of
23 his responsibility as the custodian of the Archive Project.
24 Plaintiff is without knowledge of the extent of material and
25 information that has been disclosed by Defendant Armstrong but
26 alleges that the piecemeal dissemination of information by him
27 has been injurious to its reputation and has caused and is
28 causing a diminution in the value of the materials in the Ar-

chives Project in an amount to be proved at time of trial. Plaintiff is further informed and believes and thereupon alleges that by reason of Defendant Armstrong's disclosure of such information, the above referenced authorized biography will not be written or published pursuant to the terms of the contract entered into with the above referenced author. Plaintiff has therefore been additionally damaged in an amount to be proved at time of trial.

20. On or about May 26, 27 and June 21, 1982, Plaintiff demanded that Defendant Armstrong cease his unauthorized disclosure of confidential information but Defendant has failed and refused, and continues to fail and refuse, to discontinue his unauthorized disclosures.

21. Between the time of Defendant's unauthorized disclosure of confidential information and the time of filing of this action, Plaintiff has been required to employ its staff in attempting to recompile the material necessary to write and publish an authorized biography of L. Ron Hubbard and has been required to employ the services of attorneys in an attempt to terminate the unauthorized disclosures by Defendant Armstrong, all to Plaintiff's further damage in an amount to be proved at time of trial.

22. The aforementioned acts of Defendant Armstrong were intentional, deliberate, willful, wanton, malicious, oppressive, and were committed with the intent to defraud Plaintiff, and in reckless disregard of the rights of Plaintiff. Plaintiff is therefore entitled to recover exemplary and punitive damages in the amount of \$50,000.00.

THIRD CAUSE OF ACTION
(To Impress a Constructive Trust)

23. Plaintiff repeats and repleads each and every allegation contained in paragraphs 1 through 7 and 15 through 22, above, and incorporates them by reference as though fully set forth hereat.

24. Plaintiff is informed and believes and thereupon alleges that Defendants, and each of them, acting in concert, intend to use the converted property for their own benefit and profit. Because of the conversion of Plaintiff's property and the breach of fiduciary duty by Defendant Armstrong as herein alleged and because Defendants, and each of them, by this conduct have been and will be unjustly enriched at Plaintiff's expense, a constructive trust should be impressed upon the property of Plaintiff which is now being held by Defendants, and Defendant Armstrong should be named as trustee on behalf of Plaintiff. By the terms of said constructive trust, Defendants, and each of them, should be required to keep safe and maintain the said property of Plaintiff and any profits that Defendants, and each of them, acquire therefrom, for the benefit of Plaintiff, and to refrain from any and all disclosures of confidential information that has been obtained by Defendants, and each of them, concerning Plaintiff or its property.

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VI.

REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF
(Pursuant to CCP Section 1060)

25. Plaintiff repeats and repleads each and every allegation contained in paragraphs 1 through 7 and 15 through 22, above, and incorporates them herein as though fully set forth hereat.

26. An actual controversy has arisen and now exists between Plaintiff and Defendant Armstrong concerning their respective rights and duties in that Plaintiff contends that Defendant Armstrong owed to it the duties of a fiduciary and further contends that these duties have been breached as above set forth.

27. Plaintiff desires a judicial determination of its rights and duties, and a written declaration as to the rights, duties and obligations of Defendant Armstrong in regard to the dissemination of information that was formerly within his custody and control, and as to whether a constructive trust shall be impressed upon any property of Plaintiff now being held by said Defendant or those acting in concert with him.

28. A judicial declaration is necessary and appropriate at this time under the circumstances in order that Plaintiff may ascertain its rights and duties in regard to the subject materials and their dissemination.

27. Unless preliminarily and permanently enjoined by this Court, Defendant will continue his unauthorized dissemination of confidential information and there exists no adequate remedy at law. The information is unique in character and damages, as a

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matter of law, cannot adequately compensate Plaintiff for the unauthorized dissemination of said information.

VII.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA prays judgment as follows:

1. For the first cause of action, general and special damages according to proof at time of trial.
2. For the first cause of action, an order of the Court mandating return of Plaintiff's property.
3. For the second cause of action, general and special damages according to proof at time of trial.
4. For the second cause of action, a temporary restraining order and a preliminary and permanent injunction prohibiting Defendant from disseminating confidential information gained by reason of Defendant's employment and position of trust to any person or entity other than those expressly authorized by Plaintiff.
5. For the first and second causes of action, punitive and exemplary damages in the amount of \$50,000.00 per cause of action.
6. For the impression of a constructive trust upon any property of Plaintiff now being held by Defendants, and each of them.
7. For a declaration that the materials encompassed in the Archives Project are the property of the CHURCH OF SCIENTOLOGY OF CALIFORNIA and that said materials shall be disseminated, copied and made available to members of the public only

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with the prior express authorization of said CHURCH OF SCIENTO-
LOGY OF CALIFORNIA.

8. For each cause of action, reasonable attorneys' fees
and costs and such other and further relief as the court may
deem just and proper.

Dated: August 2, 1982

GREY AND KOHLWECK
Attorneys At Law

By: Carl E. Kohlweck
CARL E. KOHLWECK
Attorneys for Plaintiff

STEVEN R. TRABISH
JOHN G. PETERSON
MICHAEL S. TRABISH
SAMUEL J. LEIB

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MARINA DEL REY, CALIFORNIA 90291
(310) 822-2818

✓ A-13
ORANGE COUNTY OFFICE
1500 DOVE STREET
PENTHOUSE SUITE
NEWPORT BEACH, CALIFORNIA 92660
(714) 833-1181

26 May 1982

Mr. Gerry Armstrong

Dear Mr. Armstrong:

Please be advised that I represent the Church of Scientology. It has come to our attention recently that you currently have in your possession certain pictures, documents, and written materials that you obtained while employed by the Church.

It had been made perfectly clear to you during your employment that the material was the property of the Church of Scientology and that neither you nor anyone outside the Church had any right to see or use the material without the express written consent of the Church. This consent was not given to you.

If you do not immediately return the material and refrain from disseminating it in any manner; I have been instructed to pursue all legal remedies to ensure that you return

EXHIBIT A-1

FRANISH & PETERSON
ATTORNEYS AT LAW

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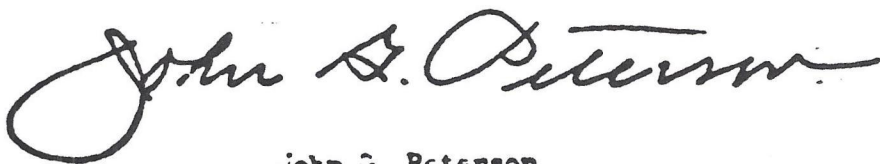
Mr. Gerry Armstrong

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26 May 1982

it, that you be ordered not to disseminate it and that
you be held liable in damages for the conversion and
all resulting damages for its improper and unauthorized
use.

Very truly yours,



John G. Peterson

JJP:jn

EXHIBIT A-2

TRABISH & PETERSON

ATTORNEYS AT LAW

TRISTAR TOWERS SOUTH, SUITE 908

4676 ADMIRALTY WAY

MARINA DEL REY, CALIFORNIA 90291

(310) 822-2818

ORANGE COUNTY OFFICE

1300 DOVE STREET

PENTHOUSE SUITE

NEWPORT BEACH, CALIFORNIA 92660

(714) 833-1181

JOHN G. PETERSON
MICHAEL S. TRABISH
SAMUEL J. LEIB

27 May 1982

Mr. Gerry Armstrong
c/o John Compton
656 Center
Costa Mesa, CA 92626

Dear Mr. Armstrong:

I have also been informed by my client that you have additional photographs, transparencies and documentation acquired by you concerning LHM or the Church while in the employ of my client that you have previously failed to turn over to my client who is the rightful owner of same, and that are presently in your possession.

Demand is hereby made for immediate delivery of those aforementioned materials from you to my client on or before Thursday, June 3, 1982, at the offices of Trabish & Peterson, 4676 Admiralty Way, Marina Del Rey, California. Failure to deliver same as hereby demanded will result in the immediate enforcement of any and all rights and remedies available to my client through the judicial system.

Very truly yours,

John G. Peterson

JGP:jn

EXHIBIT A-3

BOND

Know All Men by These Presents, that GAROLD DAVID ARMSTRONG of Clearwater, Florida (hereinafter called "the Obligor"), is held and firmly bound to the Church of Scientology of California (hereinafter called "the Church"), a corporation its principal place of business being Clearwater, Florida, in the sum of Ten Thousand Dollars (\$10,000.00), to be paid to the said Church, its executors, administrators, or assigns, as liquidated damages and not as a penalty, for the payment of which sum, well and truly to be made, the Obligor hereby binds himself, his heirs, executors, administrators and assigns firmly by these presents.

WHEREAS the Church has hired or otherwise employed said Obligor;

AND WHEREAS, Obligor is employed by the Church and is receiving the services and ministrations of the Church;

AND WHEREAS, Obligor wishes to remain in the services of the Church and wishes to continue receiving compensation for work rendered by him/her in service of the Church;

NOW THEREFORE the above written obligation is conditioned to be void in case the Obligor shall hereafter

well and truly agree that he/she will never disclose any information, data, or knowledge he/she has or will learn about the organization of the Church, or any of the Church's affiliated Churches, Mission, or Organizations, including but not limited to their internal structures, functions or activities, and certain information which may be orally imparted to the Obligor in the course of his/her having been or being a staff member of the Church. The Obligor recognizes that any information or knowledge gathered is done so in a relationship of trust and confidence. The Obligor recognizes that he/she will have a fiduciary duty to the Church not to reveal any information of any nature which might tend to harm, malign, damage, or injure or adversely affect the Church in any of its activities or conduct.

Inasmuch as the actual damages, which would result from a breach of the Obligor of his/her duties under this agreement, are uncertain and would be impractical or extremely difficult to fix, the Obligor promises to pay to the Church the above mentioned sum of \$10,000.00, for each such breach.

In the event any provision hereof shall be illegal or unenforcible, then, and in any such event, the same shall not affect the validity of the remaining portion and provisions hereof.

A, -18

Signed and sealed this 18TH day of MARCH.

19 77.

Duly authorized agent for the Church

M. D. Austin
Obligor

Subscribed and sworn to before

me this 18th day of March.

19 77.

[Signature]

Notary Public

Notary Public, State of Florida at Large
My Commission Expires July 15, 1980
Bonded By American F&C Casualty Company

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VERIFICATION

I, Allen Hubbert, declare:


I am an officer, to wit: President of the Church of Scientology of California, a corporation organized and existing under the laws of California, which is the plaintiff in the above-entitled action, and I have been authorized to make this verification on its behalf.

I have read the foregoing complaint and know the contents thereof.

I am informed and believe that the matters stated therein are true and on that ground I allege that the matters stated therein are true.

Executed on August 2, 1982, at Los Angeles, California.

I declare under penalty of perjury that the foregoing is true and correct.



ALLEN HUBBERT, PRESIDENT OF
THE CHURCH OF SCIENTOLOGY
OF CALIFORNIA

GREY AND KOHLWECK
Attorneys at Law
1821 Wilshire Boulevard
Suite 210
Santa Monica, CA 90403

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(213) 820-4676

FILED: 8/2/82

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, INC., a
California corporation,

Plaintiff,

v.

GERALD ARMSTRONG, and
DOES 1 through 10,
inclusive,

Defendants.

No.
APPLICATION FOR AN
ORDER TO SHOW CAUSE
RE PRELIMINARY INJUNCTION
AND TEMPORARY RESTRAINING
ORDER; ATTACHED DECLAR-
ATIONS AND EXHIBITS

COMES NOW THE PLAINTIFF, CHURCH OF SCIENTOLOGY OF
CALIFORNIA, who, through its undersigned counsel of record,
respectfully requests this honorable Court to issue an Order To
Show Cause Re: Preliminary Injunction and for a Temporary
Restraining Order.

Said request is based upon the pleadings currently on
file, the attached declarations of Carl E. Kohlweck and Ann
Lenarcic, and argument to be made at time of hearing.

///

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Dated: August 3, 1982

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Respectfully Submitted,

GREY AND KOHLWECK
Attorneys At Law

By: Carl E. Kohlweck
CARL E. KOHLWECK

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Dated: August 3, 1982

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Respectfully Submitted,

GREY AND KOHLWECK
Attorneys At Law

By: Carl E. Kohlweck
CARL E. KOHLWECK

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DECLARATION OF CARL E. KOHLWECK

I, CARL E. KOHLWECK, declare:

1. I am an attorney at law duly licensed to practice before this honorable Court and before all courts of the State of California. I am one of the attorneys of record in the within action.

2. This declaration is offered in support of plaintiff's application for a temporary restraining order and for an order to show cause re: issuance of a preliminary injunction. I am competent to testify to the facts set forth herein and would so testify if called as a witness.

3. On or about July 22, 1982, Defendant Gerald David Armstrong executed an affidavit which was subsequently filed in an action entitled LaVenda Van Schaick v. Church of Scientology of California, et al., United States District Court for the District of Massachusetts, Civil Action No. 79-2491-G. A true and correct copy of said affidavit is attached hereto and identified as Exhibit A. In paragraph 3 of said affidavit, Mr. Armstrong describes, in general terms, certain duties that he undertook to perform on behalf of the Church of Scientology of California (hereafter, "CSC"). These duties are referred to in the complaint previously filed herein as "the custodian of the Archives Project." Also contained within said paragraph 3 of Exhibit A is certain language that Mr. Armstrong proffers as a verbatim quote of L. Ron Hubbard, the founder of the religion of Scientology.

4. The quotation referred to in paragraph 3, above, purports to be a letter written by Mr. Hubbard in early 1953.

CSC staff has been unable to locate a copy of such a communication in the Archives Project. While it is possible that the original of this letter is misplaced within the files of the Archives Project, the verbatim quotation of the material demonstrates that Mr. Armstrong has, at least, removed and copied materials from the Archives Project.

5. Exhibit A speaks for itself as far as the type of dissemination of information being made by Mr. Armstrong. The invective directed towards Mr. Hubbard demonstrates the reason that problems have developed in the writing and publishing of the authorized biography of Mr. Hubbard, as alleged in the complaint on file herein. Exhibit A also demonstrates the necessity for injunctive relief. Mr. Armstrong's affidavit states a series of credentials which impress the uninformed with the apparent authenticity of his conclusions. It is these sorts of statements and disclosures that make injunctive relief uniquely necessary in this action; monetary damages cannot fully compensate the harm that will be done.

6. On June 25, 1982, Mr. Armstrong executed another affidavit. Said affidavit was subsequently filed in an action styled Tonja Burden v. Church of Scientology of California, United States District Court, Middle District of Florida, Tampa Division, Case No. 80-501-Civ-T-K (hereafter referred to as Exhibit B). Like Exhibit A, Exhibit B sets forth Mr. Armstrong's personal animosity for L. Ron Hubbard and CSC. At paragraph 8 he states his responsibilities as the custodian of the Archives Project and delineates the various types of documents and materials to which he had access. The amount of

detail contained in this paragraph illustrates that he was not working from memory at the time that he wrote Exhibit B, but was rather working from either source documents, copies of source documents, or altered documents.

7. Until very recently, the same attorney was responsible for prosecuting each of the two actions in which Armstrong affidavits have been filed, Michael J. Flynn of Boston, Massachusetts. During May, 1982, Mr. Flynn conducted public hearings on behalf of the City Commission in Clearwater, Florida. Those hearings are a matter of continuing controversey in that Mr. Flynn personally selected each person who testified and CSC, through its attorneys, was not allowed the opportunity to cross-examine any of those testifying.

8. On Friday, July 30, 1982, the deposition of Kevin Flynn, the brother of Michael Flynn was taken in Los Angeles. During his deposition, Mr. Flynn stated that although he had not met personally with Mr. Armstrong, Mr. Armstrong has been physically present in the Flynn law offices in Boston to assist the attorneys in that office.

9. On April 15, 1982, CSC filed a counterclaim in United States District Court, Central District of California, against Michael J. Flynn and certain members of his staff. A true and correct copy of said counterclaim is attached hereto and identified as Exhibit C. Said counterclaim seeks injunctive relief and the gravamen of the complaint is abuse of process because of the solicitation and distribution of "turn-key" litigation.

10. On April 2, 1980, the Superior Court of Suffolk

County, Massachusetts, granted CSC injunctive relief, commanding Michael J. Flynn and his clients to return certain materials, publications and documents that had been stolen from the Church of Scientology and further prohibiting them from making copies, disseminating information contained therein or destroying any of said materials. A true and correct copy of said order is attached hereto and identified as Exhibit D.

11. On May 18 through May 20, 1982, this declarant took the deposition of Larry Dominic Wollersheim in his pending action against CSC. During his deposition, Mr. Wollersheim stated that any information that is gained by any litigant against CSC or anyone disaffected from Scientology is collected, correlated and catalogued in Las Vegas, Nevada and kept in the custody and control of one Edward Walters, a/k/a Eddie Walters. The purpose of this information collection is so that it may be readily available for anyone who wishes to attack Scientology.

12. On June 3, 1982, this declarant took the deposition of Eddie Walters. During his deposition he expressed his pleasure in the Clearwater hearings, referenced above at paragraph 7. Mr. Walters was the first person to testify at the hearing and his testimony lasted approximately one and one half days. He felt that the media attention was particularly helpful to those attacking Scientology. During his deposition Mr. Walters stated that he believed that it would be a good idea if the City of Las Vegas were to stage a public inquiry similar to the one that took place in Clearwater, Florida.

13. It is the fear of Plaintiff CSC that the information in Mr. Armstrong's possession will be forwarded to the above-

described persons and will thereafter be systematically disseminated in a fragmented, piecemeal fashion in order to cause the greatest damage to CSC, its membership and to the reputation of its founder.

I certify that attached Exhibit E is a true and correct copy of a letter that I caused to be personally served upon Gerald Armstrong at 8:30 am o'clock, August 3, 1982, notifying him that Plaintiff CSC would bring before this honorable Court its application for a temporary restraining order and order to show cause re: preliminary injunction at 1:30 pm, August 3, 1982, or as soon thereafter as counsel might be heard.

I have personal knowledge of the facts set forth above, except as to those facts stated on information and belief, and as to those I believe them to be true.

Executed this 3rd day of August, 1982 at Santa Monica, California.

I declare under penalty of perjury that the forgoing is true and correct.

Carl E. Kohlweck
CARL E. KOHLWECK

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF MASSACHUSETTS

LA VENDA VAN SCHAICK,

Plaintiff

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al,

Defendants

CIVIL ACTION

NO. 79-2491-G

AFFIDAVIT OF GERRY ARMSTONG

I, Gerry Armstrong, hereby swear under the pains and penalties of perjury as follows:

1) I have personal knowledge of the following facts:

2) I was a member of the Sea Organization of Scientology from February 1971 to December 1981, during which time I held many positions and was in many locations where I directly observed L. Ron Hubbard and other Scientology executives. At no time did I ever get the impression that Mr. Hubbard or any other senior executive considered that Scientology is a religion. My own understanding, held throughout all the time I spent in Scientology, and the policy expressed

time by other Sea Org members was that Scientology operated totally as a business, and its efforts to be recognized as a "religion" were only to evade taxation and government regulations.

3) In January 1980, I was assigned to a project to collect materials about L. Ron Hubbard for the purpose of providing documentation for a biography to be written by Omar V. Garrison. During the following two years I read several thousand pages of documentation, much of it written by Mr. Hubbard himself. Never before had anyone within Scientology ever had all this information assembled in one place or had the opportunity to view and assimilate the whole truth about L. Ron Hubbard. From these documents and other sources I learned that Mr. Hubbard had continually misrepresented himself and had lied about his past, his accomplishments and credentials. I learned also from the documents I collected that Mr. Hubbard had lied about how and why Scientology had been established as a "religion". In a despatch he wrote in early 1980 to the people in charge of the projects he had ordered to remedy his legal problems with the IRS and various damage claim cases, he stated that the creation of Scientology as a "religion" was not his idea but had come about when the membership of Scientology in the early 1950's, unbeknownst to him, had voted to form a "church". I personally saw and read that despatch. Mr. Hubbard's

statement is a lie. In a letter to the head of Scientology in the US in early 1953, Mr. Hubbard stated:

"We don't want a clinic. We want one in operation but not in name. Perhaps we could call it a Spiritual Guidance Center. Think up its name, will you. And we could put in nice desks and our boys in neat blue with diplomas on the walls and 1. knock psychotherapy into history and 2. make enough money to shine up my operating scope and 3. keep the HAS solvent. It is a problem in practical business.

"I await your reaction on the religion angle. In my opinion, we couldn't get worse public opinion than we have had or have less customers with what we've got to sell. A religious charter would be necessary in Pennsylvania or NJ to make it stick. But I sure could make it stick. We're treating the present time beingness, psychotherapy treats the past and the brain. And brother, that's religion, not mental science."

I found a great deal of similar evidence in the materials I assembled before I left Scientology. Mr. Hubbard's life has been a continuing pattern, since the early 1940's, of fraudulent business practices, tax evasion, flight from creditors and those seeking recompense, and then going into

hiding, outside the reach of wronged individuals and legal jurisdictions. In short, it is the life of a con man.

4) In early 1980 I was also assigned to a mission, the purpose of which was to work out legal strategies, and get them implemented, which would allow Mr. Hubbard to still control all of Scientology via his Commodore's Messenger Organization while being shielded from any lawsuits or legal involvements and responsibilities. One of the main problems which had to be resolved by this mission, and one of the arguments used in various court cases as proof that Scientology was not a religion, was the fact that Scientology was set up so that funds inured to the benefit of L. Ron Hubbard. For years Mr. Hubbard had had his legal representatives claim that he was not paid by Scientology, other than a \$35,000.00 annual consultant's fee, and royalties from sales of his books. Another claim was that he did not control Scientology monies. The fact is he had absolute control of all Scientology accounts. As late as 1980 I saw a despatch from him in which he ordered that unlimited Scientology funds were approved for a project to get him a Nobel Prize. Another fact is tht he received millions of Scientology dollars directly from a foreign corporation called Religious Research Foundation. Payments for auditing or courses at Flag by non-US Scientologists went into RRF accounts which Mr. Hubbard controlled absolutely and used

ally for his own purposes.

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5) I learned through my study of the documentation I assembled, and from more than ten years of observation of Mr. Hubbard and the Scientology movement, that Mr. Hubbard has cruelly deceived his followers to the point where they will themselves lie and attempt to deceive others about the truth concerning him and Scientology. Scientology spokesmen and witnesses have stated that Mr. Hubbard doesn't control the organizations. The fact is he has absolute control, including financial control, and Scientologists know it. Between 1978 and 1980 I participated, along with at least 250 other Scientologists, in several massive operations to destroy or hide the evidences of Mr. Hubbard's control. Scientology spokesmen and witnesses have claimed that throughout 1980 and 1981 Mr. Hubbard could not be reached through the organization, or that organization executives did not know where he was. The fact is, the most senior executives were in continual communication with him throughout this period. Scientology spokesmen and witnesses have gone to great lengths to "prove" that Scientology is a valid religion, while knowing that it was simply a behavior therapy masquerading as a "church", and making a mockery of actual honest religious practices. In 1980, Watchdog Committee, the senior CMO body, responsible only to Mr. Hubbard and senior to every Scientology organization, ordered that every Sea Org member

had to complete the Minister's Course in two weeks or they would be assigned to the RPF. The reason given was to make every Sea Org member a "minister of the church of Scientology" and so avoid the US Selective Service draft then pending. What most Scientologists, and especially Sea Org members, don't know is that Mr. Hubbard had duped them. My knowledge based on documentation and observation, is that the major reason for Mr. Hubbard's calling Scientology a "religion", in addition to tax evasion, is to hide behind Constitutional guarantees for religions and so carry out his scheme of mind control to keep his followers duped. He has systematically and knowingly lied to and defrauded his followers, kept them from finding out the truth or becoming free with clear and bizarre treatment, as for example with the RPF, and kept them economically and mentally suppressed, while he made millions of dollars from their labor.

6) I am personally aware that Mr. Hubbard's policy of Fair Game is still a practice of Scientology. Since I left the organization with my wife in December 1981, I have been declared an enemy, and I believe my life and my wife's life, are in danger.

Signed under the pains and penalties of perjury this
22nd day of July, 1982.


GERRY ARMSTRONG

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

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TONJA BURDEN,

Plaintiff

CASE NO. 80-501-Civ-T-X

CHURCH OF SCIENTOLOGY
OF CALIFORNIA,

Defendants

AFFIDAVIT OF GERRY ARMSTRONG

I, Gerry Armstrong, hereby swear under the pains
and penalties of perjury as follows:

1) I have personal knowledge of the following
facts:

2) Tonja Burden served as a messenger for
L. Ron Hubbard on board the Apollo, and later in Dunedin,
Florida. While on the Apollo and in Dunedin Ms. Burden
was not provided with any education similar to a high
school curriculum. She was required to work long hours
every day of the week with one day off scheduled, but not
necessarily allowed, every two weeks. Ms. Burden's work
was mostly directly for L. Ron Hubbard, and his organization

the Church of Scientology, which I personally observed him totally dominate and control, both on the Apollo and up to the time he left Hemet, California in February or March of 1980.

3) After Mr. Hubbard left Dunedin, Florida in March 1976 Tonja Burden was my junior in the LRH External Communications office in Dunedin. I personally observed Ms. Burden working long hours daily in the LEC office, much of which work consisted of coding and decoding telexes for the Guardian's Office, L. Ron Hubbard and the C.M.O. I observed that Ms. Burden was under considerable pressure and was emotionally upset a great deal of the time.

4) I personally observed Tonja Burden being placed in the Rehabilitation Project Force in Clearwater, Florida in 1977, as I was the senior in charge of the RPF during that time. While in Florida, I am personally aware that Ms. Burden was not provided any high school educational opportunities, and in fact I am aware that other minors in Clearwater between November 1975 and December 1977, when Ms. Burden left, did not receive normal educational opportunities, lived for the most

part in grossly overcrowded, and therefore illegal, living conditions, and that many steps and measures were taken to conceal from City authorities the fact that minimal living standards were not being met by the Church of Scientology. I personally observed people in the RPF sleeping on floors, in storage rooms, in the boiler room, and in other sub-human conditions, including Tonja Burden. I personally participated in several actions to cover up the fact that many RPF members were sleeping in the garage of the Fort Harrison Hotel, and that upwards of fifty RPF members were sleeping in an unventilated storage room. The RPF was created by Mr. Hubbard in 1974 on the Apollo, and I became personally convinced from years of close observation of the RPF that it was used by Mr. Hubbard and others to degrade people and break their spirit.

5) When Tonja Burden attempted to leave the organization in November - December 1977, I was sent together with my wife at the time, Terri Armstrong, now Terri Gamboa, to pick up Ms. Burden in Las Vegas, Nevada, and take her to Los Angeles, California to be security checked on a meter and to obtain her signature on various documents, including releases and waivers which Mr. Hubbard and the organization required.

6) In Scientology, formal education is constantly discouraged. From Hubbard down, on all levels of command, minors and others both on the ship and in Florida were continually discouraged from pursuing normal educational channels, and educational opportunities were specifically not made available. The averments of my former wife, Terri Armstrong Gamboa, on this claim that educational opportunities were available and encouraged by the seniors in the CMO are absolute fabrications. Everyone in Scientology knows that traditional educational requirements are abhorred by Mr. Hubbard and the organization and not made available. Also traditional forms of medical and dental care were discouraged and made difficult to obtain.

7) Between February 1971 and September 1975, between December 1975 and June 1976, between January 1978 and September 1978, and between April 1979 and March 1980 I held positions in Scientology where I was often in personal contact with L. Ron Hubbard and where I could personally observe him direct and control Scientology throughout the world. From January 1978 to February 1980 at Mr. Hubbard's and the CMO's headquarters in La Quinta, California and Gilman Hot Springs, California, I several times observed and participated in massive operations

involving hundreds of people where all papers at these locations were gone through and any which showed Mr. Hubbard's direct control of Scientology or financial control of Scientology monies or accounts were shredded, hidden off the properties, or buried. Statements by Scientology officers, Guardian's-Office personnel or CMO members that Mr. Hubbard did not control absolutely every Scientology organization internationally are false.

8) In January 1980 I was assigned a special project to collect information about L. Ron Hubbard for the purpose of a biography which Omar V. Garrison was later hired to write. During 1980 and 1981 I acquired considerable information about the background of Mr. Hubbard. I saw thousands of documents, many in Mr. Hubbard's handwriting, concerning his medical history, his military history, his academic background, and relating to other areas of his life. From these documents and from various other sources of information, I learned that Mr. Hubbard's academic background, military background, professional background, and several other areas of his personal history, have been uniformly misrepresented by both him and the Church of Scientology. Mr. Hubbard has claimed to have a degree in Engineering; in fact he flunked out of his second year of Engineering school and never graduated.

Mr. Hubbard claimed to be an Atomic Physicist; in fact he took one semester in Molecular Phenomena in his second year at university and received a mark of "F".

Mr. Hubbard claimed to have a Doctor of Philosophy degree; in fact he had someone arrange the "degree" for him from a diploma mill. Mr. Hubbard claimed to have been awarded twenty-one medals and palms in the Second World War including the Purple Heart; in fact he was awarded five medals and no Purple Heart. Mr. Hubbard claimed to have been crippled and blinded in the war; in fact he was never crippled, nor blinded. Mr. Hubbard claimed to have commanded a squadron of corvettes during the Second World War; in fact he was removed and demoted from the two vessels he did command during the war. He has claimed to have done the first mineralogical survey of Puerto Rico; in fact he never did such a survey. He claimed to have written the screen play for several Hollywood major films including "The Plainsman" and "Dive Bomber"; in fact he worked on one serial, and neither of these mentioned films. Mr. Hubbard claimed that he did extensive scientific research involving hundreds of cases in his development of Dianetics between 1946 and 1950 when he published "Dianetics the Modern Science of Mental Health"; in fact he did very little, if any, research, was at the time married bigamously, was seriously mentally and emotionally disturbed, and was involved in occult organizations and operations.

Throughout the late '40's and early '50's Mr. Hubbard was generally chased by creditors, the A.M.A., law enforcement officials and others as a result of defrauding people and as a result of his involvement in various illicit activities. Mr. Hubbard has continued his dishonest, unethical activities, and has used his organization to cover up such activities right up to present time. Organization officers have claimed that they do not know where Mr. Hubbard is; the fact is the very top Church of Scientology officials have been in regular contact with Mr. Hubbard, and his whereabouts has been deliberately hidden by the organization. Organization officers have claimed that Mr. Hubbard is not paid by the ~~Church of Scientology, other than money he receives as~~ royalties on the sale of his books. The fact is that he had absolute control of all Scientology reserves. Also, he was paid millions of dollars directly from a foreign corporation called Religious Research Foundation. Payments from non-U.S. Scientologists who took Flag services were channelled to RRF. Hubbard had total control of RRF monies and received several million dollars directly from this corporation, which is made up of Scientology funds. I am personally aware of this because I was on a legal mission in 1980, one of the actions of which was to make "legal" a 2.1 million dollar payment for film scripts

Mr. Hubbard had written, which Mr. Hubbard's personal accounts officer transferred from RRF to Mr. Hubbard's personal account without the knowledge or approval of Scientology officers. In sum, I learned that Mr. Hubbard is a fraud, that he had deceived me and many others, and for this reason I left the Church of Scientology in December 1981.

2) I have since been declared an enemy of the Church of Scientology and am fearful that my life is in danger.

Signed under the pains and penalties of perjury
this 25th day of JUNE, 1982.


Gerry Armstrong


STATE OF CALIFORNIA,

COUNTY OF ORANGE

ON 6-25-1982
before me, the undersigned, a Notary Public in and for said State, personally appeared
GERRY ARMSTRONG
known to me,
to be the person whose name IS subscribed to the within instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.




Notary Public in and for said State.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Church of Scientology of California

Counterclaimant PLAINTIFF(S)

vs.

Michael Flynn, Thomas Hoffman &
Thomas Greene, *Jane Lee Anderson, Richard J. ...*
Arthur, Carol A. Hunt, Paul Hunt, Thomas Jefferson,
Counterclaimant DEFENDANT(S)
by ...

CASE NUMBER

81-3259-CBM
CV- 81-3260-CBM
81-3621-CBM
81-4109-CBM

SUMMONS on
Counterclaim

Counterclaimant

TO THE ABOVE-NAMED DEFENDANT(S), You are hereby summoned and required to serve upon

A. Thomas Hunt
Taylor, Roth & Hunt

Counterclaimant

plaintiff's attorney, whose address is:

Suite 510
617 South Olive
Los Angeles, California

Counterclaim

an answer to the/complaint which is herewith served upon you within 20 days
after service of this summons upon you, exclusive of the day of service. If you
fail to do so, judgment by default will be taken against you for the relief de-
counterclaim
manded in the/complaint.

DATE: April 15, 1982

EDWARD M. KRITZMAN, CLERK

By NANCY J. MILLER
Deputy Clerk

(SEAL OF THE COURT)

A. THOMAS HUNT
WALTER COCHRAN-BOND
TAYLOR, ROTH & HUNT
A Law Corporation
617 South Olive Street
Suite 510
Los Angeles, California 90014
(213) 623-8000

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Attorneys for Defendant Church
of Scientology of California

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

JANE LEE PETERSON and
RICHARD J. PETERSON,

Plaintiffs,

v.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,

Defendants.

Civil No. 81-3259-CBM

CAROL A. GARRITY AND PAUL
GARRITY,

Plaintiffs,

v.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,

Defendants.

Civil No. 81-3260-CBM

THOMAS JEFFERSON,
Plaintiff,

Civil No. 81-3621-CBM

v.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,
Defendants.

DANA LOCKWOOD,
Plaintiff,

Civil No. 81-4109-CBM

v.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,
Defendants.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,
Counterclaimant
Plaintiff,

v.

MICHAEL FLYNN, THOMAS HOFFMAN,
THOMAS GREENE, JANE LEE PETERSON,
RICHARD J. PETERSON, CAROL A.
GARRITY, PAUL GARRITY, THOMAS
JEFFERSON, and DANA LOCKWOOD,
Counterclaimant
Defendants.

DEFENDANT'S COUNTERCLAIM FOR INJUNCTIVE
RELIEF AND DAMAGES
(ABUSE OF PROCESS)

The defendant, for its counterclaim against the plaintiffs, and the counterclaimant defendants, alleges and says:

I. COUNTERCLAIM

1. This is a permissive counterclaim for damages for the tort of Abuse of Process pursuant to Rule 13(b) of Fed.R.Civ.P.

II. JURISDICTION

2. Jurisdiction of this counterclaim is predicated on 28 U.S.C. §1332. The matter in controversy exceeds the sum of \$10,000 or more.

III. ALLEGATIONS

3. On or about December 13, 1979, Michael J. Flynn, Thomas Hoffman, and Thomas Greene, attorneys in Boston, Massachusetts, and counterclaimant defendants in this counterclaim, filed a class action complaint against the Church of Scientology of California, and various other affiliate Churches, for claims involving breach of contract, fraud, and intentional infliction of emotional distress. This action was brought in the United States District Court in Boston, Massachusetts, Civil Action No. 79-2491-G. The complaint in the Van Schaick case ultimately was amended to limit the class action

claims to violations of the Racketeer Influenced and Corrupt Organizations Act, ("RICO") but incorporated in the RICO claims were allegations of fraud, misrepresentation, breach of contract and intentional infliction of emotional distress.

4. During the years 1980 and 1981 Defendants Michael Flynn, Thomas Hoffman and Thomas Greene, solicited "associate" attorneys, and caused no less than 18 individual lawsuits to be filed against the Church of Scientology of California, defendant and plaintiff counterclaimant herein. These lawsuits are as follows:

1. Jose Baptista vs. Church of Scientology, et al.
2. Mark D. Barron vs. Church of Scientology, et al.
3. Peggy Bear vs. Church of Scientology, etc., et al.
4. Eileen Brown, etc. vs. The Delphian Foundation, et al.
5. Tonja C. Burden vs. Church of Scientology, et al.
6. Carol A. Garrity, et al. vs. Church of Scientology, et al.
7. Marjorie J. Hansen vs. Church of Scientology, et al.
8. Thomas Jefferson vs. Church of Scientology, et al.
9. Deborah Ann Keck vs. The Church of Scientology, et al.
10. Dana Lockwood vs. Church of Scientology, et al.
11. Stephen R. Pacca vs. The Founding Church of Scientology, et al.
12. Jane Lee Peterson, et al. vs. Church of Scientology, et al.
13. Patrick R. Rosenkjar vs. Church of Scientology, et al.
14. Michael W. Smith vs. Church of Scientology, et al.

15. Steven Garritano, vs. Church of Scientology, etc., et al.
16. Janet Troy vs. Church of Scientology, et al.
17. Donald Bear v. Church of Scientology of California, et al.
18. Kim L. Vashel vs. Church of Scientology, et al.

As a general matter the claims in these cases listed immediately above are virtually identical to each other and to the claims in the Van Schaick class action, namely claims for fraud, breach of contract, misrepresentation, violations of RICO, and intentional infliction of emotional distress. None of these cases were filed as class actions.

5. Included in the cases listed immediately above, are the instant four cases, also involving claims similar to those in the class action.

6. Defendants Michael Flynn, Thomas Hoffman and Thomas Greene are either formal attorneys of record in all of the cases listed above or are informally assisting their "associated" attorneys of record, including the attorneys of record in the four instant cases, namely the law firm of Contos & Bunch. All of the "associated" attorneys of record were recruited and solicited by the Defendants Michael Flynn, Thomas Hoffman, Thomas Greene, or by non-lawyers working under their supervision. These counterclaimant defendants have furnished the "associated" attorneys with prototype pleadings.

7. The commencement and prosecution of the myriad individual cases was done by counterclaimant defendants, including the counterclaimant defendants who also are plaintiffs

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1 in the instant four cases, with malice and for the purpose of
2 obtaining a collateral advantage and to accomplish an end other
3 than that which the litigation process was designed to
4 accomplish. The improper collateral advantage sought was to use
5 the commencement and prosecution of the numerous lawsuits as a
6 threat or a club, in the form of extortion, to force the
7 Defendant Church of Scientology of California to settle the
8 numerous lawsuits in order to avoid the extreme expense of
9 defending the numerous lawsuits in numerous inconvenient
10 jurisdictions.

11 8. The improper ulterior motive and collateral
12 advantage sought by the counterclaimant defendants was expressed
13 in a series of settlement letters sent by counterclaimant
14 defendant Michael Flynn to an attorney for Defendant Church of
15 Scientology of California in June, 1981. These letters expressly
16 make the threat that unless the Defendant Church settles all
17 "existing" cases for 1.6 million dollars, the counterclaimant
18 defendants will "increase the litigation", but that if the
19 proposed settlement is effectuated the counterclaimant defendants
20 will commence no additional cases and will not assist the
21 "associated" attorneys in their cases.

22 9. This pattern of conduct continues to the present
23 time. Counterclaimant Defendant Michael Flynn recently has
24 publicly threatened to bring additional lawsuits against the
25 defendant Church.

26 10. This pattern of conduct by the counterclaimant
27 defendants constitutes the tort of abuse of process, which has
28

been defined both by Professor Prosser and by the California Courts, including the California Supreme Court in Spellens v. Spellens, 49 Cal.2d. 210 (1957).

11. Unless preliminarily and permanently enjoined by this Court, the counterclaimant defendants will continue their pattern of abuse of process.

IV. RELIEF

WHEREFORE, Defendant/Plaintiff Counterclaimant Church of Scientology prays for the following relief:

1. A temporary restraining order and A preliminary and permanent injunction prohibiting Counterclaimant Defendants Flynn, Hoffman and Greene from continuing to commit an abuse of process and in particular from:

- (a) continuing to participate in any way in the instant litigation, by assisting the plaintiffs or their attorneys or otherwise.
 - (b) soliciting any new plaintiffs for the purpose of commencing new lawsuits against Defendant Church.
 - (c) soliciting any additional "associated" attorneys for any additional cases to be brought against the Defendant Church.
 - (d) participating in any way in the commencement of any additional lawsuits against Defendant Church.
- And
- (e) receiving any benefits in attorneys fees or

1 otherwise from the existing lawsuits listed above in
2 paragraph four of this Counterclaim.

3 2. Compensatory damages for the costs of defending
4 the lawsuits resulting from the abuse of process.

5 3. Punitive damages, due to the fact the Plaintiffs
6 and Counterclaimant Defendants acted with malice and with a
7 wilfull intent to injure Defendant Church.
8

9 Defendant Church of Scientology further prays
10 for such other relief as the Court may deem appropriate and the
11 interests of justice may require, including costs and reasonable
12 attorneys' fees.
13

14 DATED: April 15, 1982
15

16 A. THOMAS HUNT
17 WALTER COCHRAN-BOND
18 TAYLOR, ROTH & HUNT
19 A Law Corporation

20 By _____
21 A. THOMAS HUNT

22 Attorneys for Defendant Church
23 of Scientology of California
24
25
26
27
28

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EXHIBIT "D"

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10

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, SS.

SUPERIOR COURT

CIVIL NO. 40906

CHURCH OF SCIENTOLOGY, et al.,

Plaintiffs,

v.

MICHAEL J. FLYNN, et al.,

Defendants.

PRELIMINARY INJUNCTION

This matter having come on for hearing, and after due consideration of the pleadings and the arguments of the parties, it is hereby ORDERED: *and adjudged upon payment to the clerk of the sum of \$5,000*

1. That the defendants, Michael J. Flynn, Lucy Garritano, Steven Garritano, James Gervais, Peter Graves, their agents, or persons acting on their behalf or in concert with them, surrender to the possession of the Church of Scientology of Boston, Inc., or to the attorneys for the plaintiff, *bring to Court on April 10, 1980* within *at 2:30 p.m.* three days of the date of this order, the following property:

- a. A cardfile containing the names of Church members;
- b. Several graphs containing financial data about the Church of Scientology;
- c. Several administrative bulletins, to wit Flag Orders 3434-25, 3434-27, 3434-28, 3434-26, 3434-29; 3434-11RA, 3434-22, and 3434-15R, the distribution of which is limited to certain specific Scientology personnel;

OK

d. Various personnel files containing information about Church of Scientology members or former members;

e. Three Hubbard "E-Meters," confessional aids which are utilized by the ministry of the Church for religious purposes.

2. That the aforementioned defendants furnish to the Court and whether to counsel for the plaintiffs, within three days of the date of this order, a list of the names and addresses of each person to whom said defendants, or any of them, delivered or caused to be delivered any of the following property or the contents thereof:

- a. A cardfile containing the names of Church members;
- b. Several graphs containing financial data about the Church of Scientology;
- c. Several administrative bulletins, to wit, Flag Orders 3434-25, 3434-27, 3434-28, 3434-26, 3434-29, 3434-11RA, 3434-22, and 3434-15R, the distribution of which is limited to certain specific Scientology personnel;
- d. Various files containing information about Church of Scientology members or former members;
- e. Three Hubbard "E-Meters" confessional aids which are utilized by the ministry of the Church for religious purposes.

3. That the aforementioned defendants, their agents, persons acting in concert with them, or on their behalf, or anyone else in actual or constructive notice of this order, are hereby

enjoined, until further order of this Court, from copying, publishing, transferring, distributing, altering, destroying or in any way disclosing the contents of the following documents:

- a. A cardfile containing the names of Church members;
- b. Several graphs containing financial data about the Church of Scientology;
- c. Several administrative bulleins, to wit Flag Orders 3434-25, 3434-27, 3434-28, 3434-29, 3434-11RA, 3434-22 and 3434-15R, the distribution of which is limited to certain specific Scientology personnel;
- d. Various files containing information about Church of Scientology members or former members;
- e. Three Hubbard "E-Meters", confessional aids which are utilized by the ministry of the Church for religious purposes.

By the Court
Adams
 Judge

Date: *April 2, 1950*

James C. Quinn
Attorney

FILED
APR 2 1950

GREY AND KOHLWECK

Attorneys at Law

1821 Wilshire Blvd., Suite 210
Santa Monica, California 90403

A 54

Area Code 213
Telephone 820-4676

August 2, 1982

Mr. Gerald Armstrong
1617 West Cliff Drive
Newport Beach, California

Re: Temporary Restraining Order

Dear Mr. Armstrong:

The purpose of this letter is to advise you of the fact that on behalf of my client, the Church of Scientology of California, Inc., I intend to seek a temporary restraining order to prohibit any further dissemination of information by yourself or through others acting in concert with you of information that you obtained while working on the Archives Project. In general, the complaint served upon you explains the nature of the action commenced, and the types of disclosures which we will seek to restrain.

Should you wish to appear to oppose the application for a temporary restraining order, it will be filed and heard in Department 85 of the Los Angeles Superior Court, 111 N. Hill St., Los Angeles, California 90012. This matter will be brought to the Court's attention at 1:30 pm on August 3, 1982.

Sincerely,

GREY AND KOHLWECK
Attorneys At Law

By: Carl E. Kohlweck
CARL E. KOHLWECK

EXHIBIT "E"

DECLARATION OF ANN LENARCIC

1 I, ANN LENARCIC, declare as follows:

2
3 1. I am a staff member of the Church of Scientology of
4 California and am currently the Public Relations Archivist
5 Assistant. I am the assistant to my husband, Andy Lenarcic, who
6 is the successor to the position previously held by Gerald
7 Armstrong, defendant herein.

8 2. I offer this declaration in support of the application
9 of the Church of Scientology of California for a temporary
10 restraining order and order to show cause re: preliminary in-
11 junction. I am competent to testify to the facts set forth
12 herein and would so testify if called as a witness.

13 3. During November, 1981, I was working on a project
14 which caused me to be in contact with Gerald Armstrong. During
15 this time period, to the best of my recollection towards the
16 middle of the month, Mr. Armstrong stated to me that he had made
17 copies of every one of the "orders of the day" of the ship
18 Apollo and retained said copies for his own use.

19 4. The ship Apollo sailed the Mediterranean, the West
20 Coast of Africa, the Atlantic, and the Caribbean between the
21 years 1966 and 1975. It functioned as the ministerial, research
22 and training center of Scientology during that period. The
23 orders of the day are an extremely valuable portion of the
24 official ship's records. They contain a history of its entire
25 voyage and almost all of the more substantial events that oc-
26 curred during the voyages of the Apollo. In any biography of Mr.
27 Hubbard or history of Dianetics and Scientology during this time
28 period, the orders of the day would be an integral part. They

often contained amusing anecdotes, the schedule for the day, news and notices, as well as orders necessary to administer the ship's business.

I have personal knowledge of the facts set forth above, except as to those facts stated on information and belief, and as to those I believe them to be true.

Executed this 3rd day of August, 1982 at Los Angeles California.

I declare under penalty of perjury that the foregoing is true and correct.

Ann Lenarcic
ANN LENARCIC

GREY AND KOHLWECK
Attorneys at Law
1821 Wilshire blvd.
Suite 210
Santa Monica, CA. 90403

A 57

(213) 820-4676

FILED: 9/24/82

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation,

Plaintiff,

v.

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants.

No. 420 153

TEMPORARY RESTRAINING ORDER

Sept. 24, 1982
D 85
9 A.M.

On reading the verified Complaint of Plaintiff Church of
Scientology of California, Inc. on file in the above entitled
action, the Application for Temporary Restraining Order, the
Memorandum of Points and Authorities and the supporting
Declarations submitted therewith, and it appearing to the
satisfaction of the Court that this is a proper case for granting
a Temporary Restraining Order, and that unless the Temporary
Restraining Order prayed for in the Complaint be granted great
or irreparable injury will result to Plaintiff before the matter
can be heard on notice.

//

Pen ing the hearing on the order to Show Cause set for Sept 24, 1982. Deft. has stipulated to the order extending to that date.

IT IS HEREBY ORDERED that the above-named Defendant, and his agents, employees, representatives and all persons acting in concert or participating with them, shall be and they are hereby restrained and enjoined from engaging in or performing, directly or indirectly, any and all of the following acts:

Dissemination, duplication, destruction or disclosure of the contents of any material obtained by Gerald D. Armstrong during his tenure as the custodian of records for the Archives Project of the Church of Scientology of California, or obtained by defendant Gerald Armstrong from Omar V. Garrison after Defendant Armstrong left the employ of Plaintiff Church of Scientology of California, including, by way of example only, but not limited to, journals, memoranda, drafts, notes, orders, letters, HCOPL's, any other form of policy or technical directives or bulletins, photographs, audio and video recordings of every kind, artifacts, memorabilia, antique writings and treatises, books, novels and other publications of L. Ron or Mary Sue Hubbard or any other material not above described but being a part of the Archives collection of the Plaintiff Church of Scientology of California.

IT IS FURTHER ORDERED that the above-named Defendant, and his agents, employees, representatives, and all other persons acting in concert or participating with him, especially Defendant Armstrong's attorneys of record, Michael Flynn, Thomas Hoffman, and Thomas Greene of Boston, Massachusetts, and Julia Dragojevic, Bruce Bunch and John R. Contos of Woodland Hills, California, surrender to the

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possession of the Clerk of the Superior Court, for the County of Los Angeles, Central District, within ten (10) days and under seal, only to be viewed by the attorneys of record of the parties limited hereto, all documents and materials provided to them at any time by Defendant Armstrong pertaining to the Church of Scientology as above referenced in the preceding paragraph of this order and especially including:

1. All letters to and from L. Ron Hubbard and his wife Mary Sue Hubbard;

2. All letters to and from L. Ron Hubbard and his first and second wives;

3. All letters to and from L. Ron Hubbard and John W. Parsons;

4. All correspondence between L. Ron Hubbard and Don Purcelle;

5. All letters and other documents concerning the Hubbard Explorations Company;

6. All papers which concern L. Ron Hubbard's activity as a reservist and commissioned officer of the United States Navy; and

7. All audio tape recordings which were allegedly provided to Defendant Armstrong by one Barbara DeCell concerning meetings, records, and activities of M CCS.

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IT IS FURTHER ORDERED that copies of the Application for Temporary Restraining Order, supporting papers, declarations submitted herewith and this Temporary Restraining Order be served on Defendant, and each of them, not later than

Aug. 24, 1982.

DATED: _____

John L. Cole

JUDGE OF THE SUPERIOR COURT

An undertaking in the amount of \$ 25000 ⁰⁰/₁₀₀ shall be posted forthwith as a bond.

DATED: Aug 24, 1982

John L. Cole

JUDGE OF THE SUPERIOR COURT

CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

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FILED

OCT 4 1982

Attorneys for Defendant and Cross-Complainant
GERALD ARMSTRONG

CLERK OF SUPERIOR COURT
BY JUDITH S. [illegible]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants.

CASE NO: C 420 153

PRELIMINARY INJUNCTION

GERALD ARMSTRONG,

Cross-Complainant,

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, et al.,

Cross-Defendants.

The Application of Plaintiff CHURCH OF SCIENTOLOGY OF
CALIFORNIA for a Preliminary Injunction came on regularly for
hearing on September 24, 1982 before the Honorable John L. Cole,
pursuant to an Order to Show Cause issued by the Court on

1 August 24, 1982. Plaintiff ~~CHURCH~~⁶² OF SCIENTOLOGY OF CALIFORNIA
2 appeared by counsel, Lawrence E. Heller; Defendant GERALD
3 ARMSTRONG appeared by counsel, Julia Dragojevic.

4 Upon proof made to the satisfaction of the Court, and
5 good cause appearing therefore,

6 IT IS ORDERED that the Application for Preliminary
7 Injunction is granted only to the following extent:

8 That the materials heretofore turned over to the
9 Clerk of this Court by Defendant GERALD ARMSTRONG and/or his
10 agents, employees, representatives and other persons or entities
11 working in or on his behalf, shall be retained in the possession
12 of the Clerk of this Court during the pendency of this action
13 or until further order of the Court;

14 That said materials may be inspected during business
15 hours by counsel for any of the parties herein, either accompanied
16 by or not accompanied by their clients, and with respect to
17 Plaintiff's counsel, by a representative of Plaintiff;

18 That such inspection is for the purpose of preparing for
19 the within litigation, in that the materials inspected may be
20 used only for that purpose. There shall be no dissemination,
21 publication or other use of any of the information contained
22 in said materials except for the purpose of this litigation.
23 For such purpose, said materials are perfectly and freely
24 usable. However, Defendant GERALD ARMSTRONG is not restrained
25 from testifying as to the contents of said materials from his
26 own knowledge;

27 That if there is other litigation in which a Court of
28 competent jurisdiction has declared that said materials are

1 subje' to discovery, or relevant for the subje' of discovery,
2 then upon giving this Court competent evidence of such a
3 determination by another Court, an appropriate order ^{will} be
4 made allowing counsel in the other litigation to similarly
5 inspect and use said materials.

6 ~~As a point of clarification, the Court further stated~~
7 ~~that when another Court involved in any other litigation makes~~
8 ~~a determination that said materials are usable or discoverable~~
9 ~~in other litigation, and evidence of that determination is made~~
10 ~~to this Court, then this Court will allow inspection and use~~
11 ~~of said materials.~~

12 IT IS FURTHER ORDERED that except as indicated, the
13 Application for Preliminary Injunction and Order to Show
14 Cause are denied and discharged.

15 IT IS FURTHER ORDERED that an undertaking in the amount
16 of \$1,000.00, as required by Section 529 of the California
17 Code of Civil Procedure, shall be posted forthwith as bond.

18 DATED: Oct 4, 1982

19 
20 _____
21 JOHN L. COLE
22 JUDGE OF THE SUPERIOR COURT
23
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27
28

Law Offices of
BARRETT S. LITT
617 South Olive, Suite 1000
Los Angeles, California 90014

(213) 623-7511

FILED: 11/18/82

Attorneys for Intervener

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

Plaintiff,

v.

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants,

MARY SUE HUBBARD,

Intervener.

No. C420153

COMPLAINT IN INTERVENTION
FOR CONVERSION [CCSS 3336,
3337], BREACH OF FIDUCIARY
RELATIONSHIP, INVASION OF
PRIVACY, POSSESSION OF
PERSONAL PROPERTY [CC SS3379,
3380], IMPRESSION OF A
CONSTRUCTIVE TRUST, AND
DECLARATORY AND INJUNCTIVE
RELIEF [CCP 1060].

Intervener, Mary Sue Hubbard, as a complaint for
conversion, breach of fiduciary relationship, invasion of
privacy, possession of personal property, impression of a
constructive trust, and declaratory and injunctive relief,
alleges as follows:

I

FIRST CAUSE OF ACTION

(Conversion)

[CC §3336]

1. On November , 1982, the court granted intervener leave to intervene in this action and to file this complaint in intervention.

2. Intervener is, and at all times herein mentioned was, a resident of Los Angeles, California.

3. Intervener intervenes in this action on the ground that intervener has a substantial interest in the matter in litigation in this action in that:

a. Substantially all of the materials that have been converted by defendant are the personal possessions of intervener and/or her husband L. Ron Hubbard.

b. Intervener placed these personal possessions in the custody of the Church of Scientology of California for safekeeping with no intention that defendant would be permitted access to these materials or to take these materials into his custody.

c. Intervener has the right to take immediate possession of these materials.

1
2 d. Intervener's interest would be directly
3 affected by the result of this action, as hereinafter set
4 forth more particularly.

5
6 4. On August 2, 1982, plaintiff commenced this action
7 against defendant for conversion, breach of fiduciary duty,
8 impression of a constructive trust and declaratory and
9 injunctive relief. The action is now pending in this court
10 and trial thereof has not been had.

11
12 5. Defendant GERALD ARMSTRONG (hereafter, "Defendant
13 Armstrong" or "Armstrong") is currently a resident of Orange
14 County, California, and at various times herein mentioned has
15 been a resident of Los Angeles and Riverside Counties.

16
17 6. Plaintiff Church of Scientology of California
18 (hereafter "Plaintiff" or "CSC"), is a not for profit
19 corporation organized and existing under the laws of the
20 State of California. It is a religious organization and one
21 of the worldwide Churches of Scientology. Its principal
22 place of business is 4833 Fountain Ave., Los Angeles,
23 California, located within the Central District of this
24 Court.

25
26 7. Intervener is presently unaware of the true names
27 and capacities of Defendants sued herein as DOES 1 through
28

10, inclusive, and therefore sues these Defendants by such fictitious names. Intervener will seek leave to amend this complaint to allege the true names and capacities of said "DOE" Defendants when the same are ascertained.

8. Between approximately 1968 or 1969 and the present, intervener placed in the custody of the Church of Scientology for safekeeping certain items of personal property belonging to her and to her husband L. Ron Hubbard, including documents, letters, manuscripts, memoranda, drafts, notes, memorabilia, artifacts, photographs, video and audio recordings. These materials were to be securely maintained, and access thereto required the approval of intervener, or of L. Ron Hubbard.

9. At all times herein mentioned, Intervener was, and still is, the owner and was, and still is, entitled to the possession of certain the items of personal property, described above.

10. At all times herein mentioned, Intervener was, and still is, the personal representative of her husband L. Ron Hubbard with respect to his personal property, and was, and still is, by virtue of her position as personal representative, entitled to the possession of the personal property described above which is owned by L. Ron Hubbard.

1 11. From approximately February, 1971 until
2 approximately December, 1981, defendant was a member of the
3 Church of Scientology. At all times pertinent to this action
4 he was a staff member of the Church of Scientology.
5

6 12. Commencing in January 1980 and continuing thereafter
7 through December, 1981, defendant Armstrong was responsible
8 for a project which involved collecting, cataloguing,
9 preserving, and otherwise maintaining information, artifacts
10 and memorabilia concerning the religion of Scientology, its
11 various organizations including plaintiff CSC, and the
12 founder of the religion of Scientology, L. Ron Hubbard. As a
13 part of his responsibilities, defendant Armstrong was to
14 locate any documents, information or artifacts pertaining to
15 the early history of Dianetics and Scientology and concerning
16 Mr. Hubbard. This area of activity by defendant Armstrong
17 was known as the "Archives Project" and is so referred to
18 herein. The Archives Project, at all times pertinent to this
19 action, was located at 4833 Fountain Ave., plaintiff's prin-
20 cipal place of business. All materials contained in the
21 Archives project are the personal property either of
22 plaintiff CSC or intervener and/or her husband L. Ron
23 Hubbard.
24

25 13. From approximately January, 1980, through
26 approximately December, 1981, in his capacity as a Church of
27
28

1 Scientology staff member, defendant Armstrong gained access
2 to the above-described personal property of intervener and L.
3 Ron Hubbard. Intervener did not know of nor give permission
4 for defendant Armstrong to gain access to the above-described
5 personal property, nor did L. Ron Hubbard.
6

7
8 14. During 1982, defendant Armstrong took the above-
9 mentioned property from the possession of plaintiff Church of
10 Scientology of California and, without authorization from
11 either plaintiff or Intervener, converted the same to his own
12 use.
13

14 15. On or about January 1, 1982, at Los Angeles,
15 California, the above mentioned property had a value to be
16 proved at time of trial.
17

18 16. On or about May 26, 27 and June 21, 1982, plaintiff
19 Church of Scientology of California demanded the immediate
20 return of the above-mentioned property but defendant failed
21 and refused, and continues to fail and refuse, to return the
22 property to plaintiff.
23

24 17. As a proximate result of defendant's conversion,
25 intervener has suffered severe emotional distress to her
26 damage in an amount to be proved at trial.
27
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18. Between the time of defendant's conversion of the above-mentioned property to his own use and the filing of this action, intervener has employed investigators and attorneys in pursuit of the converted property, all to intervener's further damage in an amount to be proved at time of trial.

19. The afore-mentioned acts of defendant were willful, wanton, malicious and oppressive, were undertaken with the intent to defraud and justify the awarding of exemplary and punitive damages in the amount of \$50,000.

II.

SECOND CAUSE OF ACTION

(Breach of Fiduciary Relationship)

20. Plaintiff repeats and repleads each and every allegation contained in paragraphs 1 through 14, above, and incorporates them as though fully set forth herein.

21. By reason of his solicitation and acceptance of the assignment on behalf of CSC as the custodian of the materials to be collected and maintained in the Archives Project, defendant Armstrong became a fiduciary to intervener and assumed duties required by law of confidentiality, loyalty, and trust regarding the materials under his custody and control. As a fiduciary to intervener, defendant Armstrong

1 also assumed a legal duty to safeguard the property of inter-
2 vener and to engage in no act detrimental to intervener
3 concerning either the use or value of the materials within
4 his custody and control.
5

6
7 22. By virtue of his position as a staff member of the
8 Church of Scientology defendant Armstrong assumed a fiduciary
9 relationship to intervener, which includes a duty to maintain
10 confidentiality concerning his work within the Church of
11 Scientology of California as it affects Intervener.
12

13 23. Defendant Armstrong has on numerous occasions
14 breached his duty of confidentiality by disclosing to
15 unauthorized persons information regarding intervener and her
16 husband L. Ron Hubbard that he obtained in the course and
17 scope of his responsibility as the custodian of the Archives
18 Project. Intervener is without knowledge of the extent of
19 material and information that has been disclosed by defendant
20 Armstrong but alleges that the piecemeal dissemination of
21 information by him has been injurious to her reputation and
22 has caused and is causing a diminution in the value of the
23 personal possessions belonging to intervener and/or L. Ron
24 Hubbard in the Archives Project in an amount to be proved at
25 time of trial.
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24. On or about May 26, 27 or June 21, 1982, Plaintiff
CSC demanded that Defendant Armstrong cease his unauthorized
disclosure of confidential information but Defendant has
failed and refused, and continues to fail and refuse, to
discontinue his unauthorized disclosures.

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25. Between the time of defendant's unauthorized
disclosure of confidential information and the time of filing
of this action, Intervener has been required to employ the
services of attorneys in an attempt to terminate the
unauthorized disclosures by defendant Armstrong, all to
Plaintiff's further damage in an amount to be proved at time
of trial.

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26. The afore mentioned acts of defendant Armstrong
were intentional, deliberate, willful, wanton, malicious,
oppressive, and were committed with the intent to defraud
intervener, and in reckless disregard of the rights of
intervener. Intervener is therefore entitled to recover
exemplary and punitive damages in the amount of \$50,000.00.

III

THIRD CAUSE OF ACTION

(Invasion of Privacy)

27. Intervener repeats and repleads each and every allegation contained in paragraphs 1 through 14, above, and incorporates them as though fully set forth herein.

28. At all times herein mentioned, plaintiff Church of Scientology of California securely held the following items of personal property, namely:

a. Personal letters of L. Ron Hubbard and Mary Sue Hubbard;

b. Memoranda written by or to L. Ron Hubbard and Mary Sue Hubbard;

c. Documents written by, to, or concerning L. Ron Hubbard and Mary Sue Hubbard;

d. Personal memorabilia of L. Ron Hubbard and Mary Sue Hubbard.

e. Photographs belonging to L. Ron Hubbard and Mary Sue Hubbard;

f. Artifacts belonging to L. Ron Hubbard and Mary Sue Hubbard.

g. Personal and family financial records of L. Ron Hubbard and Mary Sue Hubbard.

h. Drafts, notes, essays, poems, books written by, or concerning L. Ron Hubbard and/or Mary Sue Hubbard;

1 i. Tape recordings, video recordings, photograph
2 records belonging to L. Ron Hubbard and/or Mary Sue Hubbard.

3 j. Additional items of personal property not yet
4 determined.
5

6 29. During 1982, defendant intruded upon plaintiffs'
7 seclusion, solitude and private affairs by gaining access to
8 said materials, reading and/or listening to the contents
9 thereof, and revealing these contents to third persons.
10

11 30. As a proximate result of defendant's intrusion on
12 intervener's seclusion, solitude and private affairs,
13 intervener has suffered severe emotional distress,
14 humiliation, loss of reputation, all to intervener's damage
15 in an amount to be proved at trial.
16

17 31. The afore-mentioned acts of defendant were willful,
18 wanton, malicious and oppressive, were undertaken with the
19 intent to defraud and justify the awarding of exemplary and
20 punitive damages in the amount of \$50,000.
21

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IV.

FOURTH CAUSE OF ACTION

(Possession of Personal Property)

[Civil Code §§3379, 3380]

32. Intervener repeats and repleads each and every allegation contained in paragraphs 1 through 14, above, and incorporates them as though fully set forth herein.

33. Intervener is, and at all times herein mentioned was, the owner or holder of the personal property described as follows:

a. Personal letters of L. Ron Hubbard and Mary Sue Hubbard;

b. Memoranda written by or to L. Ron Hubbard and Mary Sue Hubbard;

c. Documents written by, to, or concerning L. Ron Hubbard and Mary Sue Hubbard.

d. Personal memorabilia belonging to L. Ron Hubbard and Mary Sue Hubbard.

e. Photographs belonging to L. Ron Hubbard and Mary Sue Hubbard.

f. Artifacts belonging to L. Ron Hubbard and Mary Sue Hubbard.

g. Personal and family financial records of L. Ron Hubbard and Mary Sue Hubbard.

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1 h. Drafts, notes, essays, poems, books written
2 by, or concerning L. Ron Hubbard and Mary Sue Hubbard.

3 i. Tape recordings, video recordings, photograph
4 records belonging to L. Ron Hubbard and/or Mary Sue Hubbard.

5 j. Additional items of personal property not yet
6 determined.

7
8 34. Intervener is, and at all times herein mentioned
9 was, entitled to the immediate possession of the personal
10 property described above.

11
12 35. The exact value of the personal property described
13 above is unknown at this time. Intervener will ask leave to
14 amend this complaint in intervention when such a value can be
15 determined.

16
17 36. During 1982, defendant wrongfully and without the
18 consent of the plaintiff or intervener, took possession of
19 the personal property described above. Since that time
20 defendant has been in wrongful possession of the property in
21 violation of intervener's right to immediate possession.
22 Defendant has the power to deliver to intervener the personal
23 property described above.

24
25 37. During, and as a proximate result of, defendant's
26 wrongful possession and detention of the personal property
27

described above, intervener has suffered the loss of use and enjoyment of her personal property. Therefore, plaintiff has suffered damages according to proof.

38. During, and as a further proximate result defendant's wrongful possession and detention of the personal property described above, plaintiff suffered severe emotional distress to her damage in a sum according to proof.

39. In taking, wrongfully possessing and detaining the personal property described above, defendant acted willfully, maliciously, and in wanton disregard to plaintiff's rights. Therefore, plaintiff seeks exemplary and punitive damages from defendant in the sum of \$50,000.00.

V.

FIFTH CAUSE OF ACTION

(To Impress a Constructive Trust)

40. Intervener repeats and repleads each and every allegation contained in paragraphs 1 through 14 above, and incorporates them by reference as though fully set forth herein.

41. Defendants, and each of them, acting in concert, intend to use the converted personal property of intervener and her husband L. Ron Hubbard, for their own benefit and

1 profit. Because of the conversion of Intervener's property
2 and the breach of fiduciary duty by defendant Armstrong as
3 herein alleged, and because defendants, and each of them, by
4 this conduct have been and will be unjustly enriched at
5 Intervener's expense, a constructive trust should be
6 impressed upon the property of intervener which is now being
7 held by defendants, and defendant Armstrong should be named
8 as trustee on behalf of intervener. By the terms of said
9 constructive trust, defendants, and each of them, should be
10 required to keep safe and maintain the said property of
11 intervener and any profits that defendants, and each of them,
12 acquire therefrom, for the benefit of intervener, and to
13 refrain from an and all disclosures of confidential
14 information that has been obtained by defendants, and each of
15 them, concerning intervener.
16

VI.

SIXTH CAUSE OF ACTION

REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF

(C.C.P. §1060)

21
22 42. Plaintiff repeats and repleads each and every
23 allegation contained in paragraphs 1 through 14 above, and
24 incorporates them as if fully set forth herein.

25
26 43. During 1982, defendant Armstrong wrongfully and
27 unlawfully took possession of the personal property of inter-
28

2 . vener, and the personal property of L. Ron Hubbard as
3 described in paragraph No. 28, which was, at the time, in the
4 custody of the Church of Scientology of California.

5
6 44. On or about May 26 and June 21, 1982, plaintiff
7 Church of Scientology of California demanded that defendant
8 return the personal property referred to above. Defendant,
9 has refused and still refuses to refrain from his wrongful
10 possession of the personal property to which intervener is
11 entitled as owner and/or holder.

12
13 45. Intervener desires a judicial determination of her
14 rights and duties and a written declaration as to the rights,
15 duties and obligations of defendant in regard to the
16 dissemination of information which he obtained from the
17 above-mentioned personal documents, and an order releasing
18 the material to intervener in her capacity as owner/holder.

19
20 46. Defendant's wrongful conduct, unless and until
21 enjoined and restrained by orders of this court, will cause
22 great and irreparable injury to intervener in that defendant
23 Armstrong has and will continue to disseminate highly
24 personal and confidential information regarding intervener
25 and her husband L. Ron Hubbard which defendant has obtained
26 from the items described above.

47. Intervener has no adequate remedy at law for the injuries currently being suffered in that it will be impossible for intervener to determine the precise amount of damage which she will suffer if defendant's conduct is not restrained.

48. Unless preliminarily and permanently enjoined by this court, defendant will continue his unauthorized dissemination of confidential information and there exists no adequate remedy at law. The information is unique in character and damages, as a matter of law, cannot adequately compensate plaintiff for the unauthorized dissemination of said information.

VII.

PRAYER FOR RELIEF

Intervener joins with Plaintiff in demanding the relief sought by its complaints, and wherefore, Intervener prays for judgment as follows:

1. For the first cause of action, general and special damages according to proof at time of trial.

2. For the first cause of action, an order of the Court mandating return of intervener's property.

3. For the second cause of action, general and special damages according to proof at time of trial.

4. For the second cause of action, a preliminary and permanent injunction prohibiting Defendant from disseminating confidential information gained by reason of defendant's position of trust to any person or entity other than those expressly authorized by intervener, and for the return of the property to intervener.

5. For the third cause of action, general and special damages according to proof at time of trial.

6. For the third cause of action a preliminary and permanent injunction prohibiting defendant from further access to the personal property of intervener.

7. For the fourth cause of action, the return of the personal property of which intervener is the owner and/or holder.

8. For the first, second, third and fourth causes of action, punitive and exemplary damages in the amount of \$50,000.00 per cause of action.

9. For the impression of a constructive trust upon any property of intervener now being held by defendants, and each of them.

10. For a declaration that the materials designated in this complaint in intervention are the property of Mary Sue Hubbard and L. Ron Hubbard and that said materials shall be disseminated, copied and made available to members of the public only with the prior express authorization of Mary Sue Hubbard.

A 82

11. For each cause of action, reasonable attorney's fees and costs and such other and further relief as the court may deem just and proper.

DATED: _____

Law Offices of
Barrett S. Litt
617 S. Olive, Ste. 1000
Los Angeles, CA 90014

By: _____

BARRETT S. LITT

Attorney for Intervener

A 83

1 BARRETT S. LITT
2 MICHAEL S. MAGNUSON
3 Law Offices of
4 Barrett S. Litt
5 617 South Olive, Suite 1000
6 Los Angeles, California 90014

FILED: 12/6/82

7 (213) 623-7511
8
9 Attorneys for Intervenor

10
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

13 CHURCH OF SCIENTOLOGY OF)
14 CALIFORNIA,)
15)
16 Plaintiff,)
17)
18 v.)
19)
20 GERALD ARMSTRONG, DOES 1)
21 through 10, inclusive,)
22)
23 Defendants,)
24)
25 MARY SUE HUBBARD,)
26)
27 Intervenor.)
28)

No. C420153

AMENDED COMPLAINT IN INTER-
VENTION FOR CONVERSION
[CC §§3336], INVASION
OF PRIVACY, POSSESSION OF
PERSONAL PROPERTY [CC §§3379,
3380], AND DECLARATORY AND
INJUNCTIVE RELIEF [CCP 525,
526].

Intervenor, Mary Sue Hubbard, as a complaint for
conversion, invasion of privacy, possession of personal
property, and declaratory and injunctive relief, alleges as
follows:

//
//
//
//

I

FIRST CAUSE OF ACTION

(Conversion)

[CC §3336]

1. On November 29, 1982, the court granted intervenor leave to intervene in this action and to file this complaint in intervention.

2. Intervenor is, and at all times herein mentined was, a resident of Los Angeles, California.

3. Intervenor intervenes in this action on the ground that intervener has a substantial interest in the matter in litigation in this action in that:

a. Substantially all of the materials that have been converted by defendant are the personal possessions of intervenor and/or her husband L. Ron Hubbard.

b. Intervenor placed these personal possessions in the custody of the Church of Scientology of California for safekeeping with no intention that defendant would be permitted access to these materials or to take these materials into his custody.

c. Intervenor has the right to take immediate possession of these materials.

d. Intervenor's interest would be directly affected by the results of this action, as hereinafter set forth more particularly.

4. On August 2, 1982, plaintiff commenced this action against defendant for conversion, breach of fiduciary duty, impression of a constructive trust and declaratory and injunctive relief. The action is now pending in this court and trial thereof has not been had.

5. Defendant GERALD ARMSTRONG (hereafter, "Defendant Armstrong" or "Armstrong") is currently a resident of Orange County, California, and at various times herein mentioned has been a resident of Los Angeles and Riverside Counties.

6. Plaintiff Church of Scientology of California (hereafter "Plaintiff" or "CSC"), is a not for profit corporation organized and existing under the laws of the State of California. It is a religious organization and one of the worldwide Churches of Scientology. Its principal place of business is 4833 Fountain Ave., Los Angeles, California, located within the Central District of this court.

7. Intervenor is presently unaware of the true names and capacities of Defendants sued herein as DOES 1 through

10, inclusive, and therefore sues these Defendants by such fictitious names. Intervenor will seek leave to amend this complaint to allege the true names and capacities of said "DOE" Defendants when the same are ascertained.

8. Between approximately 1968 or 1969 and the present, intervenor placed in the custody of the Church of Scientology for safekeeping certain items of personal property belonging to her and to her husband L. Ron Hubbard, including documents, letters, manuscripts, memoranda, drafts, notes, memorabilia, artifacts, photographs, and video and audio recordings. These materials were to be securely maintained, and access thereto required the approval of intervenor, or of L. Ron Hubbard.

9. At all times herein mentioned, intervenor was, and still is, the owner and was, and still is, thereby, entitled to the possession of the personal property, described above.

10. At all times herein mentioned, intervenor was, and still is, the personal representative of her husband L. Ron Hubbard with respect to his personal property, and was, and still is, by virtue of her position as personal representative, entitled to the possession of the personal property described above which is owned by L. Ron Hubbard.

1 11. From approximately February, 1971, until
2 approximately December, 1981, defendant was a member of the
3 Church of Scientology. At all times pertinent to this action
4 he was a staff member of the Church of Scientology and/or the
5 Sea Organization, a fraternal organization within the eccle-
6 siastical structure of the Church of Scientology.
7

8 12. Commencing in January, 1980, and continuing
9 thereafter through December, 1981, defendant Armstrong was
10 responsible for a Church of Scientology project which
11 involved collecting, cataloguing, preserving, and otherwise
12 maintaining information, artifacts and memorabilia concerning
13 the religion of Scientology, its various organizations
14 including plaintiff CSC, and the founder of the religion of
15 Scientology, L. Ron Hubbard. As a part of his responsibi-
16 lities, defendant Armstrong was to locate any documents,
17 information or artifacts pertaining to the early history of
18 Dianetics and Scientology and concerning Mr. Hubbard. This
19 area of activity by defendant Armstrong was known as the
20 "Archives Project" and is so referred to herein. The
21 Archives Project, at all times pertinent to this action, was
22 located at 4833 Fountain Ave., plaintiff's principal place of
23 business. All materials contained in the Archives project
24 are the personal property either of plaintiff CSC or inter-
25 venor and/or her husband L. Ron Hubbard.
26
27
28

1 13. From approximately January, 1980, through
2 approximately December, 1981, in his capacity as a Church of
3 Scientology staff member, defendant Armstrong gained access
4 to the above-described personal property of intervenor and L.
5 Ron Hubbard. Intervenor did not know of nor give permission
6 for defendant Armstrong to gain access to the above-described
7 personal property, nor did L. Ron Hubbard.
8

9
10 14. During 1982, defendant Armstrong took the above-
11 mentioned property from the possession of plaintiff Church of
12 Scientology of California and, without authorization from
13 plaintiff or intervenor, or L. Ron Hubbard, converted the
14 same to his own use.

15
16 15. On or about January 1, 1982, at Los Angeles,
17 California, the above mentioned property had a value to be
18 proved at time of trial.

19
20 16. On or about May 26, 27 and June 21, 1982, plaintiff
21 Church of Scientology of California demanded the immediate
22 return of the above-mentioned property, but defendant failed
23 and refused, and continues to fail and refuse, to return the
24 property to plaintiff.
25
26
27
28

17. As a proximate result of defendant's conversion, intervenor has suffered damages in an amount to be proved at trial.

18. Between the time of defendant's conversion of the above-mentioned property to his own use and the filing of this action, intervenor has employed investigators and attorneys in pursuit of the converted property, all to intervenor's further damage in an amount to be proved at time of trial.

19. The afore-mentioned acts of defendant were willful, wanton, malicious and oppressive, were undertaken with the intent to defraud, and justify the award of exemplary and punitive damages in the amount of \$50,000.

II

SECOND CAUSE OF ACTION

(Invasion of Privacy)

20. Intervenor repeats and repleads each and every allegation contained in paragraphs 1 through 14, above and incorporates them as though fully set forth herein.

21. At all times herein mentioned, plaintiff Church of Scientology of California securely held the following items of personal property, belonging to intervenor and/or her husband, L. Ron Hubbard, namely:

1
2 a. Personal letters of L. Ron Hubbard and Mary
3 Sue Hubbard;

4 b. Memoranda written by or to L. Ron Hubbard and
5 Mary Sue Hubbard;

6 c. Documents written by, to, or concerning L. Ron
7 Hubbard and Mary Sue Hubbard;

8 d. Personal memorabilia of L. Ron Hubbard and
9 Mary Sue Hubbard.

10 e. Photographs belonging to L. Ron Hubbard and
11 Mary Sue Hubbard;

12 f. Artifacts belonging to L. Ron Hubbard and Mary
13 Sue Hubbard;

14 g. Personal and family financial records of L.
15 Ron Hubbard and Mary Sue Hubbard;

16 h. Drafts, notes, essays, poems, books written
17 by, or concerning L. Ron Hubbard and/or Mary Sue Hubbard;

18 i. Tape recordings, video recordings, photograph
19 records belonging to L. Ron Hubbard and/or Mary Sue Hubbard;

20 j. Additional items of personal property not yet
21 determined.

22
23 22. During 1982, defendant intruded upon plaintiff's
24 seclusion, solitude and private affairs by gaining access to
25 said materials, reading and/or listening to the contents
26 thereof.

1 23. Defendant Armstrong has revealed the contents of
2 these personal documents to third persons.
3

4 24. These items of personal property are highly
5 personal and intervenor did not intend nor did she permit,
6 access to these materials by third persons, including
7 defendant Armstrong.
8

9 25. As a proximate result of defendant's intrusion on
10 plaintiff's seclusion, solitude and private affairs, inter-
11 venor has suffered damages including but not limited to
12 severe emotional distress, humiliation, loss of reputation,
13 all to intervenor's damage in an amount to be proven at
14 trial.
15

16 26. The afore-mentioned acts of defendant were willful,
17 wanton, malicious and oppressive, were undertaken with the
18 intent to defraud and justify the awarding of exemplary and
19 punitive damages in the amount of \$50,000.
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III

THIRD CAUSE OF ACTION

(Possession of Personal Property)

[Civil Code §§3379, 3380]

27. Intervenor repeats and repleads each and every allegation contained in paragraph 1 through 16, above, and incorporates them as though fully set forth herein.

28. Intervenor is, and at all times herein mentioned was, the owner or holder of the personal property described as follows:

a. Personal letters of L. Ron Hubbard and Mary Sue Hubbard;

b. Memoranda written by or to L. Ron Hubbard and Mary Sue Hubbard;

c. Documents written by, to, or concerning L. Ron Hubbard and Mary Sue Hubbard;

d. Personal memorabilia of L. Ron Hubbard and Mary Sue Hubbard.

e. Photographs belonging to L. Ron Hubbard and Mary Sue Hubbard;

f. Artifacts belonging to L. Ron Hubbard and Mary Sue Hubbard;

g. Personal and family financial records of L. Ron Hubbard and Mary Sue Hubbard;

h. Drafts, notes, essays, poems, books written by, or concerning L. Ron Hubbard and/or Mary Sue Hubbard;

i. Tape recordings, video recordings, photograph records belonging to L. Ron Hubbard and/or Mary Sue Hubbard;

j. Additional items of personal property not yet determined.

29. Intervenor is, and at all times herein mentioned was, entitled to the immediate possession of the personal property described above.

30. The exact value of the personal property described above is unknown at this time. Intervenor will ask leave to amend this complaint in intervention when such a value can be determined.

31. During 1982, defendant wrongfully and without the consent of the plaintiff or intervenor, took possession of the personal property in violation of intervenor's right to immediate possession. Defendant has possession of the personal property and/or the power to deliver to intervenor the personal property described above.

32. During, and as a proximate result of, defendant's wrongful possession and detention of the personal property described above, intervenor has suffered the loss of use and

enjoyment of her personal property. Therefore, plaintiff has suffered damages according to proof.

33. In taking, wrongfully possessing and detaining the personal property described above, defendant acted willfully, maliciously, and in wanton disregard to plaintiff's rights. Therefore, plaintiff seeks exemplary and punitive damages from defendant in the sum of \$50,000.00.

IV

FOURTH CAUSE OF ACTION

REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF

(C.C.P. §§526, 527, 1060)

34. Plaintiff repeats and repleads each and every allegation contained in paragraphs 1 through 14 and paragraph 28 above, and incorporates them as if fully set forth herein.

35. During 1982, defendant Armstrong wrongfully and unlawfully took possession of the personal property of intervenor, and the personal property of L. Ron Hubbard as described in paragraph No. 28, which was, at the time, in the custody of the Church of Scientology of California.

36. On or about May 26, and June 21, 1982, plaintiff Church of Scientology of California demanded that defendant

return the personal property referred to above. Defendant, has refused and still refuses to refrain from his wrongful possession of the personal property to which intervenor is entitled as owner and/or holder.

37. Defendant's wrongful conduct, unless and until enjoined and restrained by orders of this court, will cause great and irreparable injury to intervenor in that defendant Armstrong has and will continue to disseminate highly personal and confidential information regarding intervenor and her husband, L. Ron Hubbard, which defendant has obtained from the items described above.

38. The items of personal property described in paragraph no. 28, above, are unique and irreplaceable, and contain highly personal information which by intrusion into and dissemination to third persons, have and will injure Mrs. Hubbard. Intervenor has no adequate remedy at law for the injuries currently being suffered in that it will be impossible for intervenor to determine the precise amount of damage which she will suffer if defendant's conduct is not restrained.

39. As a proximate result of defendant's wrongful conduct intervenor has been damaged in an amount to be proved

2. For the return of the above-mentioned personal property to intervenor pursuant to Civil Code §§3379 and 3380.

3. For general and special damages as follows:

(a) For conversion as alleged in count 1.

(b) For invasion of privacy as alleged in count 2.

4. For punitive and exemplary damages as follows:

(a) \$50,000.00 for conversion as alleged in count 1;

(b) \$50,000.00 for invasion of privacy as alleged in count 2

(c) \$50,000.00 for the wrongful possession of intervenor's personal property as alleged in count 3.

DATED:

December 6, 1982

Law Offices of
Barrett S. Litt
617 S. Olive, Ste. 1000
Los Angeles, CA 90014

By:

Barrett S. Litt
BARRETT S. LIT.

Attorney for Intervenor
Mary Sue Hubbard

PROOF OF SERVICE

I, the undersigned, certify and decalre that I am a citizen of the United States, over the age of 18 years, employed in the County of Los Angeles, State of California, and not a party to the within action. On December 7, 1982 I served a true copy of the attached AMENDED COMPLAINT IN INTERVENTION FOR CONVERSION [CC §§3336], INVASION OF PRIVACY, POSSESSION OF PERSONAL PROPERTY [CC §§3379, 3380], AND DECLARATORY AND INJUNCTIVE RELIEF [CCP 525, 526]. on the _____ parties in said action by placing said copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail in the City of Los Angeles, County of Los Angeles, State of California, addressed as follows:

Contos & Bunch
5855 Topanga Canyon Blvd.
Suite 400
Woodland Hills, CA 91367

Howard Stechel
1st International Bank Building
6255 Sunset Blvd.
Suite 2000
Los Angeles, CA. 90028

and there is regular communication by mail between the place of mailing and the place so addressed.

I hereby certify that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on December 7, 1982, at Los Angeles, California.


Paula K. Litt

CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

A 99

Attorney for GERALD ARMSTRONG

FILED. 7/17/82

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation,

Plaintiff,

-vs-

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants.

) NO. C420 153

)
) ANSWER TO COMPLAINT BY
) GERALD ARMSTRONG

COMES NOW defendant, GERALD ARMSTRONG, for himself and
for no other defendant, admits, denies and alleges as follows:

1.

ANSWER TO GENERAL ALLEGATIONS

- (1) Defendant admits paragraph 1.
- (2) Defendant denies that there are or should be any
other individuals named as defendants in said action.
- (3) Defendant admits that he was a member of the
Church of Scientology and a member of the Sea Organization from
February 1971 until December, 1980, but denies that the Sea

organization is a "fraternal organization" or that members of the Sea Organization take "special vows of confidentiality". Defendant states that members of the Church of Scientology in general are often coerced into signing various legal documents, the contents of which they either do not know or are informed that the documents are just "for the government" and that members need not be concerned about them. Defendant states that the "non-disclosure and release bond" commonly utilized by the plaintiff was considered to be unenforceable as a legal document and contrary to public policy. Defendant states that the non-disclosure and release bonds are generally used to conceal criminal and tortious acts, conduct, policies, and "operations" of the plaintiff which are designed to perpetrate such acts.

(4) Defendant denies that he was a staff member of the plaintiff and denies the remaining allegations of par. 4. Defendant's position and membership in the Church of Scientology is more specifically set forth in the Cross-Complaint made a part hereof.

(5) Defendant denies that the plaintiff is a not-for-profit corporation, admits that it is organized under the laws of the state of California, denies that it is a religious organization and admits that it has a principal place of business in Los Angeles, California.

(6) Defendant admits that he was responsible and appointed by L. Ron Hubbard to a project involving the collection and maintenance of information and materials about Hubbard and his commencement of Scientology. Defendants denies that

that Scientology is a religion but rather claims that it is a criminal conspiracy fraudulently started by Hubbard that has engaged in a continuous pattern of criminal, fraudulent and tortious operations, practices and policies since its inception right up to the present date. Defendant denies that he was an agent of the plaintiff but rather as a party to a contract with Hubbard. Defendant states that Hubbard had absolute control of all plaintiffs' accounts, that plaintiff acted as the agent of Hubbard and that any and all of his activities were not conducted for the plaintiff but rather for Hubbard. Defendant denies that any and all materials collected or maintained by him in said project are the personal property of plaintiff, but rather states that said materials constitute his property or the property of Omar V. Garrison. Defendant further states that the materials and documents collected by him in said project in many respects reveal a consistent pattern of fraud perpetrated by Hubbard through his agent, the plaintiff, upon members of the Church of Scientology and the public at large. Defendant asserts that the membership of the Church of Scientology and the general public have an interest in said materials and documents in order to reveal the falsity of numerous representations uniformly made in writing by Hubbard and the plaintiff.

(7) Defendant admits that the purpose of gathering and collecting the materials in his contract with Hubbard was for the purpose of providing those materials to Omar V. Garrison to write a biography of Hubbard. Defendant asserts that he learned the contents of

1 numerous materials they realized that Hubbard's background,
2 qualifications, credentials and claims as represented by
3 him and the plaintiff as his agent in writing have been
4 uniformly misrepresented and constitute a fraud on the public
5 at large which is purchasing plaintiff's publications and
6 also upon Church membership.

7
8 II.9 ANSWER TO FIRST CAUSE OF ACTION

10 (8) Defendant repeats and repleads each and every
11 answer contained in answer 1 through 7 above and incorporates
12 the same herein as though fully set forth herein.

13 (9) Defendant denies the allegations in par. 9 and
14 claims that any materials in his possession were and are properly
15 in his possession and constitutes the property of him or Omar
16 Garrison, but that the plaintiff is "a public figure" and that
17 the information contained in any materials and documents in
18 his possession should be properly known to the public.

19 (10) Defendant denies that the property recited in
20 the Complaint has any value apart from the value of the infor-
21 mation contained in the documents. Defendant states that the
22 value of the information contained in the documents is incalculable
23 because if said information was made known to the public at
24 large and/or the membership of the Church of Scientology it
25 would uniformly refute almost all of the claims made about
26 Hubbard, his background, qualifications, credentials and purposes
27 in beginning the Church of Scientology.

28 ////

(11) Defendant denies that he wrongfully converted any property but claims that said property was and is properly in his possession and/or the possession of Omar V. Garrison. Defendant further states that the xerography and use of any photographic paper or chemicals was for Hubbard and not for the plaintiff and that said xerography and photographic paper and chemicals were properly utilized by him.

(12) Defendant denies that plaintiff has made any proper written demand for said documents or materials, on the grounds that said materials and documents do not belong to the plaintiff but rather to the defendant and/or Omar Garrison. Defendant also denies that there was any wrongful taking and conversion of any property by defendant.

(13) Defendant denies that there has been any conversion of any property or that any property in his possession belongs to the plaintiff and therefore denies that the plaintiff has incurred any damage in connection with any effort to regain said property.

(14) Defendant denies that any of his acts were intentional, deliberate, willful, wanton, malicious, oppressive, or were committed with intent to defraud plaintiff or in disregard of the rights of the plaintiff. Defendant denies that plaintiff is entitled to recover any damages, but rather asserts that he is entitled to recover damages as more fully set forth in his Cross-Complaint filed herewith.

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////

SECOND CAUSE OF ACTION

(15) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 above and incorporates them herein as though fully set forth herein.

(16) Defendant denies that he became a fiduciary to the plaintiff regarding any materials or documents under his custody or control or that he assumed any legal duty to the plaintiff except a legal duty in contract with Hubbard to write his biography with Garrison with whom defendant had an agreement as research assistant to provide documents and other relevant materials for the biography project.

(17) Defendant denies that there is any conflict of interest between him and the plaintiff and/or the Ralston Pilot Publishing Company in violation of any fiduciary duty.

(18) Defendant denies the enforceability or validity of Exhibit B to the Complaint. Defendant states that the non-disclosure and confidentiality bonds referred to are in violation of public policy, constitute a fraud on the general public and Church membership, and have been adjudicated to be unenforceable in the case of Church of Scientology v. La Venda Van Schaick, et al, Clark County, Nevada, Civil No. A196800. Defendant further states that any and all information contained in the documents and materials which he collected on behalf of Hubbard for Omar V. Garrison contain information about a "public figure", do not constitute trade secrets, reveal evidence of a sustained pattern of criminal fraud and misrepresentation, and that it is

1 in violation of public policy to coerce the execution of
2 non-disclosure and confidentiality bonds in said circumstances.
3 Defendant denies that he has intentionally and without legal
4 excuse breached any duty of confidentiality.

5 (19) Defendant denies that he has made any unauthor:
6 disclosure of any confidential information, or that he has
7 caused injury to any reputation or diminution in value of any
8 materials. Defendant asserts that the referenced biography
9 of Hubbard cannot be written with the uniform misrepresentati
10 and fraudulent policies and practices exercised by the plaint:
11 because the information contained in the documents which he
12 collected reveal said misrepresentation and fraud. Defendant
13 further alleges that the truth of the matter contained in said
14 materials is a defense to any claims for damages based upon
15 defamation. Defendant further states that public policy for-
16 bids the concealment of the information contained in said doc-
17 ments and materials and encourages the dissemination and dis-
18 closure of said information.

19 (20) Defendant denies that plaintiff is or can make
20 any demand to cease unauthorized disclosures of confidential
21 information, or that the information is confidential or that
22 he can be prevented from making said disclosures in the form
23 of affidavits to appropriate courts for the purpose of crimin
24 and civil litigation.

25 (21) Defendant denies that any unauthorized disclos
26 of confidential information have caused any damages to the
27 plaintiff, or that the plaintiff has standing to assert any
28 such damages, or that an authorized biography of Hubbard can

1 be written by the plaintiff which is not false and fraudulent,
2 unless the plaintiff admits the truth of the information con-
3 tained in the documents and materials which he collected.

4 (22) Defendant denies that any of his acts were
5 intentional, deliberate, willful, wanton, malicious or oppressive
6 and committed with intent to defraud the plaintiff or in reckless
7 disregard of plaintiff's rights and denies that plaintiff is
8 entitled to any damages, but rather claims damages as set forth
9 in the counterclaim herein.

10
11 IV.

12 THIRD CAUSE OF ACTION

13 (23) Defendant repeats and repleads each and every
14 answer contained in paragraphs 1 through 7 and 15 through 22
15 above and incorporates them by reference as though fully set
16 forth herein.

17 (24) Defendant denies that he has converted any pro-
18 perty of the plaintiff in breach of any fiduciary duty or that
19 he will be unjustly enriched at plaintiff's expense. Defendant
20 denies that a constructive trust should be impressed upon said
21 property or that he should be named as trustee on behalf of
22 the plaintiff. Defendant claims that any attempt to prevent
23 the disclosure of any of the information in said documents and
24 materials will be a prior restraint on freedom of speech and
25 expression in violation of the First Amendment to the United
26 States Constitution. Defendant further states that any infor-
27 mation in said documents is information about a public figure
28 and said information should be made available to the general

public and to the membership of the Church of Scientology.

IV.

ANSWER TO REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF

(25) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 and 15 through 22 above and incorporates them herein as though fully set forth herein.

(26) Defendant admits that there is a controversy between plaintiff and defendant because plaintiff has brought the subject action. Defendant denies the subject action was properly brought but that it is merely intended to be harassing and vexatious, and defendant denies that he owes any duty of fiduciary or other nature to the plaintiff.

(27) Defendant admits that a judicial determination of the respective rights and duties of the parties must now be made because the suit has been harassively and vexatiously brought by the plaintiff, but defendant denies that he owes any duties and obligations to the plaintiff but rather the plaintiff is responsible for fraudulent misrepresentation and other torts more fully set forth in the Cross-Complaint filed herewith. Defendant denies that a constructive trust should be imposed upon said property.

(28) Defendant admits that a judicial declaration is now necessary in the subject action.

(29) Defendant denies that this Court should preliminarily or permanently enjoin the defendant from unauthorized dissemination of any information contained in said documents

on the grounds that the information is not confidential, that it is in violation of public policy to conceal it, that plaintiff has no standing in which to bring the subject action, and that information, unless it is in the form of a trade secret, is not protected under the law.

VII.

ANSWER TO PRAYER FOR RELIEF

Defendant answers as follows to the plaintiff's prayers:

(1) Defendant denies that general and special damages as to the first cause of action should be awarded to the plaintiff.

(2) Defendant denies that the Court should order the return of any property to the plaintiff based on the first cause of action.

(3) Defendant denies that general and special damages should be accorded to the plaintiff on the second cause of action.

(4) Defendant denies that this Court should issue either a temporary restraining order or a preliminary or permanent injunction prohibiting him from disseminating any information about the plaintiff, and that any such order would be in violation of his right to freedom of speech and expression under the United States Constitution, Amendment 1.

(5) Defendant denies that punitive and exemplary damages in the amount of \$50,000.00 should be awarded per cause of action.

(6) Defendant denies that a constructive trust should

be impressed upon any property in the possession of the defendant.

(7) Defendant denies that any materials in the project referred to can be disseminated, copied or made available to the public only with the express authorization of the Church of Scientology of California.

(8) Defendant denies that reasonable attorneys' fees or costs should be awarded in such action, except as set forth hereinafter in defendant's counterclaim.

VIII.

AFFIRMATIVE DEFENSES

(1) And further answering to the Complaint, defendant states that the plaintiff's action is barred by the doctrine of unclean hands. Plaintiff has engaged in a 30-year history of criminal and tortious conduct, abuse of the judicial system, and specific written policies to attack, "sue", "cheat", "lie to", "steal from" and destroy any person or entity which it perceives to be an enemy. The plaintiff's criminal and tortious policies have been recognized by numerous courts, and the doctrine of unclean hands has been specifically applied to plaintiff's conduct in bringing frivolous, vexatious and harassing legal actions.

(2) And further answering to the Complaint, defendant states that the plaintiff's action is barred by the doctrine of laches. Hubbard has been in possession of most of the information contained in the documents for the past 30 years. The documents and materials collected have been in the possession

of Omar Garrison for a period covering at least ;
to early 1982. Plaintiff's failure to prohibit t
of the documents and information to Garrison, a t
not a member of the plaintiff Church, bars any an
releif to prevent the dissemination of documents t
parties or to recover damages for said dissemination.

(3) And further answering, defendant states that
the plaintiff does not have standing to bring the present action.
The documents and materials only have value in so far as they
contain ifnformation about L. Ron Hubbard, a public figure. The
information contianed in said documents could only be barred
from dissemination if it constituted trade secrets, was defamatory,
or violated a right of privacy of L. Ron Hubbard. Since Hubbard
has not asserted any claim to said materials on the violation
of either his rights of privacy, or the unlawful dissemination
of trade secrets or defamatory information, plaintiff has no
standing to assert said claim on his behalf.

(4) And further answering, defendant states that
plaintiff cannot be entitled to damages or injunctive relief
as a matter of law unless the documents and materials collected
by defendant and the information contained therein have been
disseminated in violation of rights of privacy of L. Ron Hubbard,
constitute false and defamatory statements, or constitute trade
secrets.

(5) And further answering, defendant states that 'it
is against public policy and in violation of defendant's rights
under the First Amendment to the U.S. Constitution to prevent
him from disclosing or disseminating the information contained

A 111
in the subject documents and materials, or the docu
materials themselves.

WHEREFORE, defendant prays that plaintiff
and that defendant be given judgment against plaint
costs incurred herein and for such other and further relief as
may seem just and proper.

DATED: September 16, 1982

CONTOS & BUNCH

By: Bruce M. Bunch

BRUCE M. BUNCH
Attorneys for Defendant,
GERALD ARMSTRONG

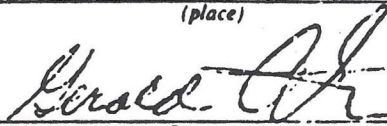
STATE OF CALIFORNIA, COUNTY OF Los Angeles

I am the Defendantin the above entitled action or proceeding. I have read the foregoing ANSWER TO COMPLAINT

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on September 16, 1982 at Woodland Hills, California
(date) (place)



Signature GERALD ARMSTRONG

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills, CA 91367

On September 17, 19 82, I served the within ANSWER TO COMPLAINT BY

GERALD ARMSTRONG

on the parties herein

in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail

at Woodland Hills
 addressed as follows:

CARL E. KOHLWECK

GREY & KOHLWECK

1821 Wilshire Blvd., Ste. 210

Santa Monica, CA 90403

JOHN G. PETERSON

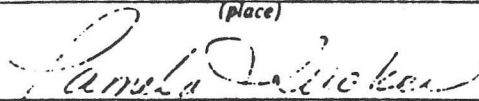
TRABISH & PETERSON

4676 Admiralty Way, Ste. 902

Marina Del Rey, CA 90291

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on Sept. 17, 1982 at Woodland Hills, California
(date) (place)



Signature

PAMELA J. RUCKER

A 113

am the _____

in the above entitled action or proceeding. I have read the foregoing _____

and know the contents thereof, and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____ at _____, California

Signature

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action, my business address is:

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills CA 91367

On September 17, 1982, I served the within ANSWER TO COMPLAINT

parties herein
on the _____
in said action, by ~~XX~~

XX BY HAND DELIVERY TO:

LAWRENCE E. HELLER
LENSKE, LENSKE, HELLER & MAGASIN .
A Law Corporation
6400 Canoga Ave., Ste. 315
Woodland Hills, CA 91367

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on Sept. 17, 1982 at Woodland Hills, California
(date) (place)

Kina Peyton
Signature

LENA PEYTON

Defendant/Defendant-In-Intervention, GERALD ARMSTRONG,
for himself alone, answers the unverified Amended Complaint-In-
Intervention on file herein as follows:

1. Denies each and every allegation of each cause of
action thereof.

2. Denies plaintiff-in-intervention was damaged in any
sum alleged, or any other sum.

RECEIVED
JAN - 6 1983

CALIFORNIA.

Plaintiff,

vs.

GERALD ARMSTRONG, et al.,

Defendants,

MARY SUE HUBBARD,

Intervenor.

Defendant/Defendant-In-Intervention, GERALD ARMSTRONG,
for himself alone, answers the unverified Amended Complaint-In-
Intervention on file herein as follows:

1. Denies each and every allegation of each cause of
action thereof.

2. Denies plaintiff-in-intervention was damaged in any
sum alleged, or any other sum.

///

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RECEIVED
JAN - 6 1983

FIRST AFFIRMATIVE DEFENSE

3. Alleges that plaintiff-in-intervention's alleged causes of action, each, do not state facts sufficient to constitute a cause of action against said defendant/defendant-in-intervention.

SECOND AFFIRMATIVE DEFENSE

4. Alleges that plaintiff-in-intervention's damages, if any, were caused and contributed to by plaintiff-in-intervention's own negligence.

THIRD AFFIRMATIVE DEFENSE

5. Alleges that the plaintiff-in-intervention's action is barred by the doctrine of unclean hands.

FOURTH AFFIRMATIVE DEFENSE

6. Alleges that the plaintiff-in-intervention's action is barred by the doctrine of laches. L. Ron Hubbard has been in possession of most of the information contained in the documents for the past 30 years. The documents and materials collected have been in the possession of Omar Garrison for a period covering at least from 1980 to early 1982 and were in the rightful possession and custody of defendant/defendant-in-intervention. Plaintiff-in-intervention's failure to prohibit the dissemination of the documents and information to Garrison, a third party, not a member of the plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA, bars any and all equitable relief to prevent the dissemination of documents to other third parties or to recover damages for said dissemination.

FIFTH AFFIRMATIVE DEFENSE

7. Alleges that the plaintiff-in-intervention does not have standing to bring the present action. The documents and

materials only have value insofar as they contain information about L. Ron Hubbard, a public figure. The information contained in said documents could only be barred from dissemination if it constituted trade secrets, was defamatory, or violated a right of privacy of L. Ron Hubbard. Since L. Ron Hubbard has not asserted any claim to said materials on the violation of either his rights of privacy, or the unlawful dissemination of trade secrets or defamatory information, plaintiff-in-intervention has no standing to assert said claim on his behalf.

SIXTH AFFIRMATIVE DEFENSE

8. Alleges that plaintiff-in-intervention cannot be entitled to damages or injunctive relief as a matter of law unless the documents and materials collected by defendant and the information contained therein have been disseminated in violation of rights of privacy of L. Ron Hubbard, constitute false and defamatory statements, or constitute trade secrets.

SEVENTH AFFIRMATIVE DEFENSE

9. Alleges that it is against public policy and in violation of defendant-in-intervention's rights under the First Amendment to the U. S. Constitution to prevent him from disclosing or disseminating the information contained in the subject documents and materials, or the documents and materials themselves.

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1 WHEREFORE, defendant/defendant-in-intervention asks
2 judgment as follows:

- 3 1. That plaintiff-in-intervention take nothing;
4 2. For costs of suit; and
5 3. For other proper relief.
6

7 Dated: January 5, 1983

8 CONTOS & BUNCH
9

10 By: _____
11 BRUCE M. BUNCH
12 Attorneys for the Defendant/
13 Defendant-In-Intervention
14 GERALD ARMSTRONG
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STATE OF CALIFORNIA, COUNTY OF

A 118

I am the _____

in the above entitled action or proceeding; I have read the foregoing _____

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____ at _____ California
(date) (place)

Signature

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action. my business address is:

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills, CA 91367

On January 5, 1983, I served the within ANSWER TO AMENDED

COMPLAINT IN INTERVENTION

on the _____ interested parties
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail
at _____ Woodland Hills, CA
addressed as follows:

HOWARD J. STECHEL, 6255 Sunset Boulevard, Ste. 2000, Los Angeles, California 90028

TRABISH & PETERSON, 4676 Admiralty Way, Ste. 902, Marina del Rey, California 90291 Attention: John G. Peterson

BARRETT S. LITT, Esq., 617 South Olive St., Ste. 1000, Los Angeles, California 90014

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on January 5, 1983 at Woodland Hills California
(date) (place)

Margaret Crook
Margaret Crook Signature

A 119

16 Mar

CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

FILED: 3/15/84

Attorneys for Defendant GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF)
CALIFORNIA,)
)
Plaintiff,)
)
vs.)
)
GERALD ARMSTRONG, et al.)
)
Defendants,)
)
MARY SUE HUBBARD,)
)
Intervenor.)

CASE NO. C 420 153
FIRST AMENDED ANSWER TO
AMENDED COMPLAINT IN
INTERVENTION

Defendant, GERALD ARMSTRONG, for himself alone, answers
the unverified Amended Complaint-In Intervention on file herein
as follows:

1. Denies each and every allegation of each cause of
action thereof.

2. Denies plaintiff-in-intervention was damaged in any
sum alleged, or any other sum.

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FIRST AFFIRMATIVE DEFENSE

3. Alleges that plaintiff-in-intervention's alleged cause of action, each, do not state facts sufficient to constitute a cause of action against said defendant.

SECOND AFFIRMATIVE DEFENSE

4. Alleges that plaintiff-in-intervention's damages, if any, were caused and contributed to by plaintiff-in-intervention's own negligence.

THIRD AFFIRMATIVE DEFENSE

5. Alleges that plaintiff and intervenor should be barred from seeking equitable relief by way of injunction in that plaintiff and intervenor come before this Court with unclean hands. Plaintiff and intervenor seek by way of injunction to suppress/destroy evidence of frauds in that the documents and materials presently under seal in this case evidence numerous frauds regarding the alleged background and accomplishments of L. Ron Hubbard, founder of Dianetics and Scientology, frauds which have been perpetrated upon defendant and thousands of Scientology followers and the public.

FOURTH AFFIRMATIVE DEFENSE

6. Alleges that plaintiff and intervenor should be

barred from seeking equitable relief or any recovery herein in that plaintiff and intervenor were involved in the destruction by shredding of documents, which documents defendant saved from destruction and preserved. Defendant fears that should the documents and materials presently under seal be returned to plaintiff and/or intervenor pursuant to injunction, that spoliation would again result. Said documents and materials are highly relevant evidence to defendant's Cross-Complaint in this case and all the Scientology litigation.

FIFTH AFFIRMATIVE DEFENSE

7. Alleges that the plaintiff-in-intervention's action is barred by the doctrine of laches. L. Ron Hubbard has been in possession of most of the information contained in the documents for the past 30 years. The documents and materials collected have been in the possession of Omar Garrison for a period covering at least from 1980 to early 1982 and were in the rightful possession and custody of defendant. Plaintiff-in-intervention's failure to prohibit the dissemination of the documents and information to Garrison, a third party, not a member of the plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA, bars any and all equitable relief to prevent the dissemination of documents to other third parties or to recover damages for said dissemination.

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A 122
SIXTH AFFIRMATIVE DEFENSE

8. Alleges that the plaintiff-in-intervention does not have standing to bring the present action. The documents and materials only have value insofar as they contain information about L. Ron Hubbard, a public figure. The information contained in said documents could only be barred from dissemination if it constituted trade secrets, was defamatory, or violated a right of privacy of L. Ron Hubbard. Since L. Ron Hubbard has not asserted any claim to said materials on the violation of either his rights of privacy, or the unlawful dissemination of trade secrets or defamatory information, plaintiff-in-intervention has no standing to assert said claim on his behalf.

SEVENTH AFFIRMATIVE DEFENSE

9. Alleges that plaintiff-in-intervention cannot be entitled to damages or injunctive relief as a matter of law unless the documents and materials collected by defendant and the information contained therein have been disseminated in violation of rights of privacy of L. Ron Hubbard, constitute false and defamatory statements, or constitute trade secrets.

EIGHTH AFFIRMATIVE DEFENSE

10. Alleges that it is against public policy and in violation of defendant's rights under the First Amendment to the U.S. Constitution to prevent him from disclosing or

A 123

disseminating the information contained in the subject documents and materials, or the documents and materials themselves.

WHEREFORE, defendant asks judgment as follows:

1. That plaintiff-in-intervention take nothing;
2. For costs of suit; and
3. For other proper relief.

DATED: March 16, 1984.

CONTOS & BUNCH

By: _____
JULIA DRAGOJEVIC
Attorneys for Defendants
GERALD ARMSTRONG

LAW OFFICES
HOWARD J. STECHEL
A PROFESSIONAL CORPORATION
FIRST INTERSTATE BANK BUILDING
6255 SUNSET BOULEVARD, SUITE 2000
LOS ANGELES, CALIFORNIA 90028
(213) 484-8464

ORIGINAL FILED
NOV 10 1982
COUNTY CLERK

Attorney for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, INC., a California
Corporation,

Plaintiff,

vs.

GERALD ARMSTRONG et al.,

Defendants.

CASE NO. C 420 153

NOTICE OF RULING

TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD HEREIN:

PLEASE TAKE NOTICE THAT on November 9, 1982 at 9:00 A.M. in Department 82 of the above-entitled Honorable Court, The Honorable Frances Rothschild, Judge Presiding, there came on regularly for hearing the Motion of Plaintiff to Strike Portions of the Answer and Affirmative Defenses of Defendant Gerald Armstrong. Plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA was represented by Howard J. Stechel. Defendant GERALD ARMSTRONG was represented by Contos & Bunch by Julia Dragojevic. The matter was argued. The Court took the matter under submission. The Court, having consid-

2 ered the papers submitted in support of and in opposition to the
3 motion, having heard the oral arguments of counsel for each of the
4 parties, and being fully apprised, ruled as follows:

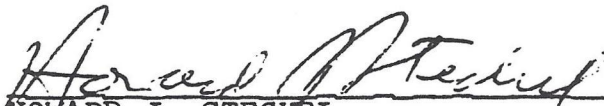
5 1. The motion of plaintiff CHURCH OF SCIENTOLOGY OF CALIF-
6 ORNIA to Strike the First Affirmative Defense of Defendant GERALD
7 ARMSTRONG, contained in Paragraph (1) of the Affirmative Defenses in
8 said Answer of Defendant GERALD ARMSTRONG, alleging the defense of
9 unclean hands, is GRANTED, and said Affirmative Defense is hereby
10 STRICKEN based upon each of the grounds asserted by moving party
11 CHURCH OF SCIENTOLOGY OF CALIFORNIA on said motion.

12 2. Leave to amend any part of said Answer was not granted
13 to Defendant GERALD ARMSTRONG.

14 3. The motion of plaintiff to strike was in all other
15 respects DENIED.

16 4. Counsel for plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA
17 to give notice of ruling.

18 DATED: November 9, 1982

19 
20 HOWARD J. STECHEL
21 Attorney for Plaintiff
22 CHURCH OF SCIENTOLOGY OF
23 CALIFORNIA
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Church of Scientology of California vs. Gerald Armstrong, Case #
 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES.

C 420 153

VERIFICATION (CCP 446 / 2015.5)

I, the undersigned, say (applicable paragraph checked):

☐ I am a party to this action. I have read the attached document and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am an officer a partner of _____ a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I have read the foregoing document and know its contents. I am informed and believe and on that ground allege that the matters stated in it are true.

☐ I am (one of) the attorney(s) for _____ a party to this action. Such party is absent from the county aforesaid where such attorney(s) have their office, and I make this verification for and on behalf of that party for that reason. I have read the above document and know its contents. I am informed and believe and on that ground allege that the matters stated in it are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 19 _____, at _____, California.

Signature: _____

Re: Notice of Ruling

PROOF OF SERVICE BY MAIL (CCP 1013a / 2015.5)

I, the undersigned, am a resident of and/or employed in the county aforesaid; I am over the age of 18 and not a party to the within action; my business address is:

6255 Sunset Boulevard, Suite 2000, Los Angeles, CA. 90028

On the date indicated below (date of execution) I served the attached document on the parties to the within action, as identified below by their address or the address of their attorney of record, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at the city indicated below in which this Proof of Service by Mail has been executed, said envelope(s) addressed as follows:

Contos & Bunch
 5855 Topanga Canyon Boulevard
 Suite 400
 Woodland Hills, California 91367

I declare under penalty of perjury that the foregoing is true and correct.

☐ (Federal) I declare that I am employed by the office of a member of the bar of this Court at whose direction the service was made.

Served and Executed on November 9, 19 82, at Los Angeles, California.

Signature: Howard J. Stechel
 HOWARD J. STECHEL

ACKNOWLEDGEMENT OF RECEIPT

Received a copy of the above-described document on _____ (date)

Signature: _____ FOR: _____
 Name or person, firm or entity for whom receipt is acknowledged.

Nov. 9 1982

Frances Rothschild

JUDGE

A 127

T. Acuna

DEPUTY CLERK

JUDGE PRO TEM

Deputy Sheriff

E SKIAR
HARRIS

Reporter

(Parties and counsel checked if present)

C 420 153

Church of Scientology of
California, etc.,

vs

Gerald Armatrong, et al.,

Counsel for
Plaintiff

/cross-defendant

Lenske, Lenske, Heller &

Counsel for
Defendant

Magasin

H. STECHER ✓

J. Dragojevic ✓

NATURE OF PROCEEDINGS.

Motion of plaintiff
and cross-defendant, Church
of Scientology of
California, to strike, defen-
dant, ARMstrong's answer and
affirmative, defenses
to plaintiff's complaint

(C.C.P. SEC., 453)

(TRANS FROM D-83)

Motion is argued and submitted
Later:

Paragraph # 1 of defendant's
affirmative defense is
stricken from the
answer.

In all other respects
motion is denied.

STIPULATED that Commissioner may hear this matter as Judge Pro Tem.

TRANSFERRED TO/FROM DEPARTMENT

☐ Court disqualifies itself☐ 170.6 CCP affidavit filed

BY CALENDAR

☐ On court's own motion☐ No Appearance☐ At request of moving party☐ By stipulation

CONTINUED TO

IN DEPT.

AT

AM

PM

☐ On court's own motion☐ Stip. to be filed☐ On oral/written stipulation.☐ REQUEST OF☐ Moving party☐ Respondent(s)☐ TRO to remain in full force and effect☐ TRO dissolved

FORCE:

☐ Waived☒ By moving party☐ By respondent(s)

WITNESS(S) IS/ARE SWORN AND TESTIFIES/TESTIFY

ADJUDICATION IS GRANTED (AS AMENDED)

☐ DECREE IS SIGNED AND FILED.

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DEPT.

MINUTES ENTERED
Nov. 9 1982

COUNTY CLERK

EXHIBIT

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PAGE

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522

CONTOS & BUNCH
LAWYERS
3855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

FILED: 12/14/82

Attorney for Defendant, GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF)
CALIFORNIA, a California)
corporation,)
Plaintiffs,)
vs.)
GERALD ARMSTRONG, DOES 1)
through 10, Inclusive,)
Defendants.)

CASE NO. C 420 153

NOTICE OF MOTION AND MOTION
FOR LEAVE TO FILE AN AMENDED
ANSWER; DECLARATION OF
BRUCE M. BUNCH; AND MEMORANDUM
OR POINTS AND AUTHORITIES IN
SUPPORT THEREOF (C.C.P. §473)

DATE: January 4, 1983
TIME: 9:00 A.M.
DEPT: 83

TO: PLAINTIFF, CHURCH OF SCIENTOLOGY OF CALIFORNIA, AND THEIR
RESPECTIVE ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE, that on January 4, 1983, at 9:00 A.M.
or as soon thereafter as counsel may be heard, in Department 83
of the above entitled Court located at 111 North Hill Street,
Los Angeles, California 90012, Defendant, GERALD ARMSTRONG will
move the Court to allow him to file a First Amended Answer to
Complaint.

This motion is made on the ground that the defense of
unclean hands is a valid and viable defense to an action for
injunction, that said defense was apparently inadvertently

A 129

1 stricken by the Court in its ruling on Plaintiff's Motion to
2 strike; and, that justice and fairness would be promoted by
3 allowing the Answer to be amended to include this defense.

4 DATED: December 13, 1982

5 CONTOS & BUNCH

6
7 By BRUCE M. BUNCH

8 BRUCE M. BUNCH
9 Attorney for Defendant
10 GERALD ARMSTRONG
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I, BRUCE M. BUNCH, DECLARE:

I am an attorney at law duly authorized to practice before all of the Courts in the State of California, and am a partner in the law firm of Contos & Bunch, attorneys of record for GERALD ARMSTRONG, Defendant herein.

The Complaint of Plaintiff, CHURCH OF SCIENTOLOGY, seeks among other things, the equitable remedy of injunction against GERALD ARMSTRONG. The original Answer filed on behalf of Mr. ARMSTRONG contained a First Affirmative Defense for unclean hands. Said Affirmative Defense contained a good deal of factual information, which this Court found to be extraneous.

On November 9, 1982, Plaintiff's Motion to Strike Defendant, ARMSTRONG'S Answer and Affirmative Defenses to Plaintiff's Complaint was heard before this Court. That Motion sought to strike numerous allegations, paragraphs, and defenses. On this Motion, the Court only struck the First Affirmative Defense of Defendant's Answer.

The original First Affirmative Defense contained extensive extraneous factual material which was basically irrelevant to the proper assertion of the defense of unclean hands. However, it is Hornbook Law that the defense of unclean hands is a valid defense to a cause of action for injunctive relief. Unless Defendant herein is allowed to amend the Answer to reassert, properly this time, the Affirmative Defense of unclean hands, that defense will be lost to him. It is therefore, respectfully submitted, that to allow such an amendment would be in the

1 furtherance of justice, and that therefore this Motion should
2 be granted. Plaintiff can demonstrate absolutely no prejudice
3 if this Motion is granted in that this matter has just commenced
4 the litigation process and Plaintiff will have plenty of time
5 to conduct discovery in connection with this claim.

6 Based upon the foregoing reasons, it is respectfully
7 requested that this Court grant this Motion and allow this
8 Defendant, GERALD ARMSTRONG, leave to amend his Answer by
9 filing the attached proposed First Amended Answer to Complaint.
10 A true and correct copy of the proposed Amended Answer is hereto
11 as Exhibit "A" and incorporated herein by reference.

12 I declare under penalty of perjury that the foregoing is
13 true and correct.

14 Executed this 14th day of December, 1982, at Woodland
15 Hills, California.

16 BRUCE M. BUNCH

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18 BRUCE M. BUNCH
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MEMORANDUM OF POINTS AND AUTHORITIES

1

THIS COURT MAY ALLOW AN AMENDMENT TO
ANY PLEADING ON ANY TERMS WHICH THE
COURT, IN ITS DISCRETION, DEEMS TO
BE JUST.

California Code of Civil Procedure, §473.

Code Section 473 specifically allows the Court to exercise its discretion in considering whether or not to allow a party to amend any pleading. The general policy of the law in this State is to allow great liberality in amendment of pleadings prior to trial, and even during trial itself, so as to allow the parties to properly present their causes of action or defenses thus furthering justice by insuring a trial on the true merits of the case. Atchinson, Topeka & Santa Fe Railroad Company vs. Superior Oil Company, 243 Cal. App. 2d 289, 52 Cal. Rptr. 53 (1966); Dunzweiler vs. Superior Court, 267 Cal. App. 2d 569, 73 Cal. Rptr. 331 (1968).

The extent of this liberality is demonstrated by the case of Re-Development Agency of the City of Fresno, Inc. vs. Herrold, 86 Cal. App. 3d 1024, 150 Cal. Rptr. (1978), wherein the Court held that if a Motion to amend pleadings is timely made, and if granting of that Motion will not prejudice the opposing party, it is error to refuse permission to amend, and furthermore, where that refusal to amend also results in the party being deprived of a right to assert a meritorious defense,

it is not only error but an abuse of discretion.

While the power of this Court to issue an injunction has specifically been authorized by the Legislature in the California Code of Civil Procedure §§525, et.seq., nonetheless, it is Hornbook Law that the analysis undertaken by the Court in granting such an injunction, as well as the inherent power of the Court to grant such an injunction, is equitable in nature. For these reasons, one clearly valid defense to an injunction is that defense of unclean hands. Cal. Jur. 3d, Injunctions, §17.

Based upon the foregoing, it is respectfully submitted that to allow this amendment to properly reassert the valid defense of unclean hands would be in the furtherance of justice and would not prejudice Plaintiff herein.

For these reasons, it is respectfully requested that this Court grant this Motion and accept for filing the attached proposed Amended Answer.

DATED: December 13, 1982

CONTOS & BUNCH

By BRUCE M. BUNCH

BRUCE M. BUNCH
Attorney for Defendant
GERALD ARMSTRONG

A 134

CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

Attorney for GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF	)	CASE NO: C 420 153
CALIFORNIA, a California)	
corporation,	)	FIRST AMENDED ANSWER
	)	TO COMPLAINT
Plaintiff,)	
)	
vs.)	
)	
GERALD ARMSTRONG, DOES 1)	
through 10, inclusive,)	
)	
Defendants.)	

COMES NOW defendant, GERALD ARMSTRONG, for himself and
for no other defendant, admits, denies and alleges as follows:

1.

ANSWER TO GENERAL ALLEGATIONS

- (1) Defendant admits paragraph 1.
- (2) Defendant denies that there are or should be any
other individuals named as defendants in said action.
- (3) Defendant admits that he was a member of the
Church of Scientology and a member of the Sea Organization from
February 1971 until December 1980, but denies that the Sea

organization is a "fraternal organization" or that members of the Sea Organization take "special vows of confidentiality". Defendant states that members of the Church of Scientology in general are often coerced into signing various legal documents, the contents of which they either do not know or are informed that the documents are just "for the government" and that members need not be concerned about them. Defendant states that the "non-disclosure and release bond" commonly utilized by the plaintiff was considered to be unenforceable as a legal instrument and contrary to public policy. Defendant states that non-disclosure and release bonds are generally used to conceal criminal and tortious acts, conduct, policies, and operations of the plaintiff which are designed to perpetrate acts.

(4) Defendant denies that he was a staff member of the plaintiff and denies the remaining allegations of

4. Defendant's position and membership in the Church of Scientology is more specifically set forth in the Cross-Complaint as a part hereof.

(5) Defendant denies that the plaintiff is a not-for-profit corporation, admits that it is organized under the laws of the state of California, denies that it is a religious organization and admits that it has a principal place of business in Los Angeles, California.

(6) Defendant admits that he was responsible and assisted by L. Ron Hubbard to a project involving the collection and maintenance of information and materials about Hubbard at the commencement of Scientology. Defendants denies that

that Scientology is a religion, but rather claims that it is a criminal conspiracy fraudulently started by Hubbard that has engaged in a continuous pattern of criminal, fraudulent and tortious operations, practices and policies since its inception right up to the present date. Defendant denies that he was an agent of the plaintiff but rather as a party to a contract with Hubbard. Defendant states that Hubbard had absolute control of all plaintiff's accounts, that plaintiff acted as the agent of Hubbard and that any and all of his activities were not conducted for the plaintiff but rather for Hubbard. Defendant denies that any and all materials collected or maintained by him in said project are the personal property of plaintiff, but rather states that said materials constitute his property or the property of Omar V. Garrison. Defendant further states that the materials and documents collected by him in said project in many respects reveal a consistent pattern of fraud perpetrated by Hubbard through his agent, the plaintiff, upon members of the Church of Scientology and the public at large. Defendant asserts that the membership of the Church of Scientology and the general public have an interest in said materials and documents in order to reveal the falsity of numerous representations uniformly made in writing by Hubbard and the plaintiff.

(7) Defendant admits that the purpose of gathering and collecting the materials in his contract with Hubbard was for the purpose of providing those materials to Omar V. Garrison to write a biography of Hubbard. Defendant asserts that when he learned the contents of

ous materials they realized that Hubbard's background, qualifications, credentials and claims as represented by and the plaintiff as his agent in writing have been uniformly misrepresented and constitute a fraud on the public large which is purchasing plaintiff's publications and upon Church membership.

II.

ANSWER TO FIRST CAUSE OF ACTION

(8) Defendant repeats and repleads each and every aver contained in answer 1 through 7 above and incorporates the same herein as though fully set forth herein.

(9) Defendant denies the allegations in par. 9 and claims that any materials in his possession were and are properly in his possession and constitutes the property of him or Omar Garrison, but that the plaintiff is "a public figure" and that the information contained in any materials and documents in his possession should be properly known to the public.

(10) Defendant denies that the property recited in the Complaint has any value apart from the value of the information contained in the documents. Defendant states that the value of the information contained in the documents is incalculable because if said information was made known to the public at large and/or the membership of the Church of Scientology it would uniformly refute almost all of the claims made about Hubbard, his background, qualifications, credentials and purposes in beginning the Church of Scientology.

////

(11) Defendant denies that he wrongfully converted any property but, claims that said property was and is properly in his possession and/or the possession of Omar V. Garrison. Defendant further states that the xerography and use of any photographic paper or chemicals was for Hubbard and not for the plaintiff and that said xerography and photographic paper and chemicals were properly utilized by him.

(12) Defendant denies that plaintiff has made any proper written demand for said documents or materials, on the grounds that said materials and documents do not belong to the plaintiff but rather to the defendant and/or Omar Garrison. Defendant also denies that there was any wrongful taking and conversion of any property by defendant.

(13) Defendant denies that there has been any conversion of any property or that any property in his possession belongs to the plaintiff and therefore denies that the plaintiff has incurred any damage in connection with any effort to regain said property.

(14) Defendant denies that any of his acts were intentional, deliberate, willful, wanton, malicious, oppressive, or were committed with intent to defraud plaintiff or in disregard of the rights of the plaintiff. Defendant denies that plaintiff is entitled to recover any damages, but rather asserts that he is entitled to recover damages as more fully set forth in his Cross-Complaint filed herewith.

SECOND CAUSE OF ACTION

(15) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 above and incorporates them herein as though fully set forth herein.

(16) Defendant denies that he became a fiduciary to the plaintiff regarding any materials or documents under his custody or control or that he assumed any legal duty to the plaintiff except a legal duty in contract with Hubbard to write his biography with Garrison with whom defendant had an agreement as research assistant to provide documents and other relevant materials for the biography project.

(17) Defendant denies that there is any conflict of interest between him and the plaintiff and/or the Ralston Pilot Publishing Company in violation of any fiduciary duty.

(18) Defendant denies the enforceability or validity of Exhibit B to the Complaint. Defendant states that the non-disclosure and confidentiality bonds referred to are in violation of public policy, constitute a fraud on the general public and Church membership, and have been adjudicated to be unenforceable in the case of Church of Scientology v. La Venda Van Schaick, et al Clark County, Nevada, Civil No. A196800. Defendant further states that any and all information contained in the documents and materials which he collected on behalf of Hubbard for Omar V. Garrison contain information about a "public figure", do not constitute trade secrets, reveal evidence of a sustained pattern of criminal fraud and misrepresentation, and that it is

in violation of public policy to coerce the execution of non-disclosure and confidentiality bonds in said circumstances. Defendant denies that he has intentionally and without legal excuse breached any duty of confidentiality.

(19) Defendant denies that he has made any unauthorized disclosure of any confidential information, or that he has caused injury to any reputation or diminution in value of any materials. Defendant asserts that the referenced biography of Hubbard cannot be written with the uniform misrepresentations and fraudulent policies and practices exercised by the plaintiff because the information contained in the documents which he collected reveal said misrepresentation and fraud. Defendant further alleges that the truth of the matter contained in said materials is a defense to any claims for damages based upon defamation. Defendant further states that public policy forbids the concealment of the information contained in said documents and materials and encourages the dissemination and disclosure of said information.

(20) Defendant denies that plaintiff is or can make any demand to cease unauthorized disclosures of confidential information, or that the information is confidential or that he can be prevented from making said disclosures in the form of affidavits to appropriate courts for the purpose of criminal and civil litigation.

(21) Defendant denies that any unauthorized disclosures of confidential information have caused any damages to the plaintiff, or that the plaintiff has standing to assert any such damages, or that an authorized biography of Hubbard can

1 be written by the plaintiff which is not false and fraudulent,
2 unless the plaintiff admits the truth of the information con-
3 tained in the documents and materials which he collected.

4 (22) Defendant denies that any of his acts were
5 intentional, deliberate, willful, wanton, malicious or oppressive
6 and committed with intent to defraud the plaintiff or in reckless
7 disregard of plaintiff's rights and denies that plaintiff is
8 entitled to any damages, but rather claims damages as set forth
9 in the Cross-Complaint herein.

10
11 IV.

12 THIRD CAUSE OF ACTION

13 (23) Defendant repeats and repleads each and every
14 answer contained in paragraphs 1 through 7 and 15 through 22
15 above and incorporates them by reference as though fully set
16 forth herein.

17 (24) Defendant denies that he has converted any pro-
18 perty of the plaintiff in breach of any fiduciary duty or that
19 he will be unjustly enriched at plaintiff's expense. Defendant
20 denies that a constructive trust should be impressed upon said
21 property or that he should be named as trustee on behalf of
22 the plaintiff. Defendant claims that any attempt to prevent
23 the disclosure of any of the information in said documents and
24 materials will be a prior restraint on freedom of speech and
25 expression in violation of the First Amendment to the United
26 States Constitution. Defendant further states that any infor-
27 mation in said documents is information about a public figure
28 and said information should be made available to the general

public and to the membership of the Church of Scientology.

IV.

ANSWER TO REQUEST FOR DECLARATORY AND INJUNCTIVE RELIEF

(25) Defendant repeats and repleads each and every answer contained in paragraphs 1 through 7 and 15 through 22 above and incorporates them herein as though fully set forth herein.

(26) Defendant admits that there is a controversy between plaintiff and defendant because plaintiff has brought the subject action. Defendant denies the subject action was properly brought but that it is merely intended to be harassing and vexatious, and defendant denies that he owes any duty of fiduciary or other nature to the plaintiff.

(27) Defendant admits that a judicial determination of the respective rights and duties of the parties must now be made because the suit has been harassively and vexatiously brought by the plaintiff, but defendant denies that he owes any duties and obligations to the plaintiff but rather the plaintiff is responsible for fraudulent misrepresentation and other torts more fully set forth in the Cross-Complaint filed herewith. Defendant denies that a constructive trust should be imposed upon said property.

(28) Defendant admits that a judicial declaration is now necessary in the subject action.

(29) Defendant denies that this Court should preliminarily or permanently enjoin the defendant from unauthorized dissemination of any information contained in said documents

on the grounds that the information is not confidential, that it is in violation of public policy to conceal it, that plaintiff has no standing in which to bring the subject action, and that information, unless it is in the form of a trade secret, is not protected under the law.

VII.

ANSWER TO PRAYER FOR RELIEF

Defendant answers as follows to the plaintiff's prayers:

(1) Defendant denies that general and special damages as to the first cause of action should be awarded to the plaintiff.

(2) Defendant denies that the Court should order the return of any property to the plaintiff based on the first cause of action.

(3) Defendant denies that general and special damages should be accorded to the plaintiff on the second cause of action.

(4) Defendant denies that this Court should issue either a temporary restraining order or a preliminary or permanent injunction prohibiting him from disseminating any information about the plaintiff, and that any such order would be in violation of his right to freedom of speech and expression under the United States Constitution, Amendment 1.

(5) Defendant denies that punitive and exemplary damages in the amount of \$50,000.00 should be awarded per cause of action.

(6) Defendant denies that a constructive trust should

1 be impressed upon any property in the possession of the
2 defendant.

3 (7) Defendant denies that any materials in the
4 project referred to can be disseminated, copied or made avail-
5 able to the public only with the express authorization of the
6 Church of Scientology of California.

7 (8) Defendant denies that reasonable attorneys'
8 fees or costs should be awarded in such action, except as set
9 forth in defendant's Cross-Complaint.

10
11 VIII.

12 AFFIRMATIVE DEFENSES

13 (1) And further answering the Complaint, defendant
14 states that the plaintiff's action is barred by the doctrine
15 of unclean hands.

16 (2) And further answering the Complaint, defendant
17 states that the plaintiff's action is barred by the doctrine
18 of laches. Hubbard has been in possession of most of the
19 information contained in the documents for the past 30 years.
20 The documents and materials collected have been in the possession
21 of Omar Garrison for a period covering at least from 1980 to
22 early 1982. Plaintiff's failure to prohibit the dissemination
23 of the documents and information to Garrison, a third party,
24 not a member of the plaintiff Church, bars any and all equitable
25 relief to prevent the dissemination of documents to other third
26 parties or to recover damages for said dissemination.

27 (3) And further answering, defendant states that
28 the plaintiff does not have standing to bring the present action.

1 The documents and materials only have value in so far as they
2 contain information about L. Ron Hubbard, a public figure. The
3 information contained in said documents could only be barred
4 from dissemination if it constituted trade secrets, was defamatory,
5 or violated a right of privacy of L. Ron Hubbard. Since Hubbard
6 has not asserted any claim to said materials on the violation
7 of either his rights of privacy, or the unlawful dissemination
8 of trade secrets or defamatory information, plaintiff has no
9 standing to assert said claim on his behalf.

10 (4) And further answering, defendant states that
11 plaintiff cannot be entitled to damages or injunctive relief
12 as a matter of law unless the documents and materials collected
13 by defendant and the information contained therein have been
14 disseminated in violation of rights of privacy of L. Ron Hubbard,
15 constitute false and defamatory statements, or constitute trade
16 secrets.

17 (5) And further answering, defendant states that it
18 is against public policy and in violation of defendant's rights
19 under the First Amendment to the U.S. Constitution to prevent
20 him from disclosing or disseminating the information contained
21 in the subject documents and materials, or the documents and
22 materials themselves.

23 WHEREFORE, defendant prays that plaintiff take nothing
24 and that defendant be given judgment against plaintiff for his
25 costs incurred herein and for such other and further relief as
26 may seem just and proper.

27 DATED: November 22, 1982

CONTOS & BUNCH

28 By: _____

BRUCE M. BUNCH
Attorneys for Defendant,

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VERIFICATION BY PARTY (466, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

A 146

I am the _____

in the above entitled action or proceeding; I have read the foregoing _____

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____ (date) at _____ (place), California

Signature

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

5855 Topanga Canyon Blvd., #400, Woodland Hills, CA 91367

On Dec. 14, 1982, I served the within NOTICE OF MOTION AND

MOTION FOR LEAVE TO FILE AMENDED ANSWER; DECLARATION OF BRUCE M. BUNCH; MEMO. OF POINTS & AUTHORITIES IN SUPPORT THEREOF (CCP §473) PROPOSED AMENDED ANSWER

on the Parties of Interest in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Woodland Hills, CA 91367 addressed as follows:

HOWARD J. STECHEL
6255 Sunset Blvd., #2000
Los Angeles, CA 90028

Barrett S. Litt, Esq.
617 So. Olive Street, #1000
Los Angeles, CA 90014

TRABISH & PETERSON
4676 Admiralty Way, #902
Marina del Rey, CA 90291
Attn: John G. Peterson

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on Dec. 14, 1982 at Woodland Hills, California
(date) (place)

Pamela Wickersham

Signature

PAM WICKERSHAM

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CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

A 147

FILED: 1/14/83

Attorney for Defendant GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,	)	CASE NO. C 420 153
)	
Plaintiff,	)	NOTICE OF RULING
)	
vs.)	
)	
GERALD ARMSTRONG, et al.,)	
)	
Defendants,)	
)	
MARY SUE HUBBARD,)	
)	
Intervener.)	

TO: ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on January 4, 1983, defendant GERALD ARMSTRONG's Motion for Leave to File an Amended Answer came on regularly for hearing in Department 83 in the above-entitled Court, the Honorable Lawrence C. Waddington, Judge presiding. Bruce M. Bunch of CONTOS & BUNCH appeared on behalf of defendant GERALD ARMSTRONG and Howard J. Stechel appeared on behalf of plaintiff CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California corporation.

A 148

The Court denied the Motion for leave to file an
Amended Answer without prejudice.

Dated: January 14, 1983

CONTOS & BUNCH

By:

BRUCE M. BUNCH

Attorneys for Defendant
GERALD ARMSTRONG

VERIFICATION BY PARTY (466, 2015.5 C.C.P.)

STATE OF CALIFORNIA, COUNTY OF

A 149

I am the _____

in the above entitled action or proceeding. I have read the foregoing _____

and know the contents thereof, and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true

I declare, under penalty of perjury, that the foregoing is true and correct

Executed on _____ at _____ California
(date) (place)

Signature

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C.C.P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action, my business address is:

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills, CA 91367

On January 14, 1983 I served the within NOTICE OF RULING

on the _____ interested parties
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail
at _____ Woodland Hills, CA
addressed as follows.

BARRETT S. LITT, 617 South Olive, Ste 1000, Los Angeles, CA 90014

LARRY HELLER, 6400 Canoga Avenue, Suite 315, Woodland Hills, CA 91367

HOWARD STECHER, 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on January 14, 1983 at Woodland Hills California
(date) (place)

Signature

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

VERIFICATION (CCP 446 / 2015.5)

I, the undersigned, say (applicable paragraph checked):

☐ I am a party to this action. I have read the attached document and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am an officer a partner of _____ a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I have read the foregoing document and know its contents. I am informed and believe and on that ground allege that the matters stated in it are true.

☐ I am (one of) the attorney(s) for _____ a party to this action. Such party is absent from the county aforesaid where such attorney(s) have their office, and I make this verification for and on behalf of that party for that reason. I have read the above document and know its contents. I am informed and believe and on that ground allege that the matters stated in it are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____, 19 _____, at _____, California.

Signature: _____

PROOF OF SERVICE BY MAIL (CCP 1013a / 2015.5)

I, the undersigned, am a resident of and/or employed in the county aforesaid; I am over the age of 18 and not a party to the within action; my business address is:

6255 Sunset Boulevard, Suite 2000, Los Angeles, CA. 90028

On the date indicated below (date of execution) I served the attached document on the parties to the within action, as identified below by their address or the address of their attorney of record, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Mail at the city indicated below in which this Proof of Service by Mail has been executed, said envelope(s) addressed as follows:

Contos & Bunch
5855 Topanga Canyon Blvd.,
Suite 400
Woodland Hills, CA 91367

John Peterson
Trabish & Peterson
4676 Admiralty Way, Suite 902
Marina del Rey, CA 90291

Barrett S. Litt
617 So. Olive Street
Suite 1000
Los Angeles, CA 90014

I declare under penalty of perjury that the foregoing is true and correct.

☐ (Federal) I declare that I am employed by the office of a member of the bar of this Court at whose direction the service was made.

Served and Executed on February 15, 19 83, at Los Angeles, California.

Signature: Howard J. Stechel
HOWARD J. STECHEL

ACKNOWLEDGEMENT OF RECEIPT

Received a copy of the above-described document on _____ (date)

Signature: _____ FOR: _____

Name or person, firm or entity for whom receipt is acknowledged.

A 151

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DEPT. 83

February 1, 1983

Paul G. Breckenridge, Jr., JUDGE

Rosie Hart

DEPUTY CLERK

JUDGE PRO TEM

Deputy Sheriff

none

Reporter

(Parties and counsel checked if present)

C 420 153

Counsel for
PlaintiffChurch of Scientology of
CaliforniaCounsel for
Defendant

Gontos and Bunch

BY: Douglas J. Del Tondo ✓

vs

Gerald Armstrong, et al.,

NATURE OF PROCEEDINGS.

ATTORNEY FOR INTERVENOR:
Michael S. Magnuson ✓

Motion of Intervenor
Mary Sue Hubbard,
to strike certain
affirmative
defenses to intervenor's
complaint

Motion argued.

Motion denied, except as to
"unclean hands".

Thirty days leave to amend.

IT IS STIPULATED that Commissioner may hear this matter as Judge Pro Tem.

TRANSFERRED TO/FROM DEPARTMENT

☐ Court disqualifies itself☐ 170.6 CCP affidavit filed

BY CALENDAR

☐ On court's own motion☐ No Appearance☐ At request of moving party☐ By stipulation

CONTINUED TO

IN DEPT.

AT

AM

☐ On court's own motion☐ Stip. to be filed☐ On oral/written stipulation.☐ REQUEST OF☐ Moving party☐ Respondent(s)☐ TRO to remain in full force and effect☐ TRO dissolved

BY:

☐ Waived☐ By moving party☒ By respondent(s)

WITNESSES IS/ARE SWORN AND TESTIFIES/TESTIFY

DECREE IS GRANTED (AS AMENDED)

☐ DECREE IS SIGNED AND FILED.

MINUTES ENTERED

21 DEPT. 83

Feb. 1, 1983

A 152

CONTOS & BUNCH
LAWYERS
5855 TOPANGA CANYON BOULEVARD
SUITE 400
WOODLAND HILLS, CALIFORNIA 91367
(213) 716-9400

FILED: 9/17/82

Attorney for Defendant and Cross-Complainant,
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation,

Plaintiff,

-vs-

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants.

NO. C 420153

CROSS-COMPLAINT FOR DAMAGES
(Fraud, Breach of Contract and
Infliction of Emotional Distress)

(Filed concurrently with Answer
to Complaint)

GERALD ARMSTRONG,

Cross-Complainant,

-vs-

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation, L. RON HUBBARD
and DOES 1 through 100,
inclusive,

Cross-Defendants.

Cross-Complainant, GERALD ARMSTRONG, alleges as

///

///

follows:

A 153

I.

PARTIES

1. Cross-Defendant, CHURCH OF SCIENTOLOGY OF CALIFORNIA, hereinafter cross-defendant "CALIFORNIA" is a corporation organized and existing under the laws of the State of California, having a principal office and place of business in California and it is doing business in the State of California and within the territorial jurisdiction of this Court.

2. Cross-Defendant, L. RON HUBBARD, is the founder of the CHURCH OF SCIENTOLOGY OF CALIFORNIA and at all times material to this Cross-Complaint was, by virtue of his role as the founder and leader of Scientology, overall supervisor of the Guardian's Office and of the Sea Organization of the Church of Scientology of California. The Guardian's Office and Sea Organization had agents operating in California under the ultimate control of L. RON HUBBARD. L. RON HUBBARD was knowledgeable and had ultimate control over the activities of employees of California and specifically over the Guardian's Office and Sea Organization as pled herein. L. RON HUBBARD was a resident of the State of California from early 1976 through several months into 1980 at which time some of the acts complained of against the cross-defendants herein commenced although said acts were not discovered until the fall of 1981. L. RON HUBBARD has a legal address in the State of California although he is now concealing his whereabouts through an elaborate system with the goal of avoiding service of legal process or summons. The acts alleged herein of California are acts as agents of L. RON HUBBARD and

said acts constituted a course of conduct carried on within the State of California under the orders and supervision of L. RON HUBBARD. The acts of L. RON HUBBARD against cross-complainant were causing consequences in the State of California by fraudulently using the services, time, and labor of the cross-complainant. L. RON HUBBARD (hereinafter cross-defendant "HUBBARD") is believed to be in the State of California, however he conceals his actual whereabouts.

3. Cross-defendants, DOES 1 through 100, inclusive, are sued herein under such fictitious names for the reason that the true names and capacities of said cross-defendants are unknown to cross-complainant at this time; that when the true names and capacities of said cross-defendants are ascertained cross-complainant will ask leave of Court to amend this Cross-Complaint to insert the true names and capacities of said fictitiously named cross-defendants, together with any additional allegations that may be necessary in regard thereto; that each of said fictitiously named cross-defendants claim that cross-complainant has a legal obligation to cross-defendants by virtue of the facts referred to below; that each of said fictitiously named cross-defendants are in some manner legally responsible for the acts and occurrences hereinafter alleged.

II.

FACTUAL ALLEGATIONS

4. At all times material herein, HUBBARD and CALIFONIA held themselves out to the cross-complainant to be a part of a legitimate, law-abiding, scientific, educational organization

engaged in the business of providing goods and services as a non-profit organization wherever they were authorized by law to do business. CALIFORNIA and HUBBARD perpetrated the acts set forth in this Cross-Complaint as a matter of written policy, composed, implemented and enforced by the individual cross-defendant, HUBBARD, and specifically implemented against the cross-complainant by the employees and agents of HUBBARD and CALIFORNIA pursuant to the written directives and policy of HUBBARD. The policies, doctrine and conduct alleged herein constitute a civil conspiracy by HUBBARD and CALIFORNIA to commit the torts set forth herein.

5. HUBBARD and CALIFORNIA have for a period exceeding 15 years engaged in a pattern of mail fraud and conspiracy to commit mail fraud. In connection with said mail fraud, cross-defendants, CALIFORNIA and HUBBARD, wrote, published and disseminated the publications set forth below through the mails to cross-complainant in at least three separate places on numerous occasions as follows: September 1969 - February, 1971 in Vancouver, British Columbia; February 1971 in Los Angeles, California; February 1971 - 1975, on the yacht, Apollo; 1975 - 1979 in Clearwater, Florida; and 1977 - December 1981, in California. The following publications contain selected examples of "non-religious", "false", secular representations as excerpted from a federal judgment in the case set forth in paragraph 5 of this Cross-Complaint, and made to cross-defendant:

(a) Eight-page pamphlet, entitled "What is Scientology?" "Scientology is today the only successfully validated psychotherapy in the world. Tens of thousands of completely

A 156

documented cases exist in the files
of the Hubbard association of
Scientologists International.

"The first science to put the case of
psychotherapy within the range of any
person's pocketbook. A complete
Freudian analysis costs \$8000 to
\$15,000. Better results can be

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achieved in Scientology for \$25.00 and
on a group basis for a few dollars."

"The first science to make whole classes of backward
children averagely bright using only drills the
teacher can do a few minutes in each day."

"The first science to determine the basic cause of
disease."

"The first science to contain exact technology to
routinely alleviate physical illnesses with complete
predictable success."

"The first science of mind to prove conclusively
that physical illness can stem from mental disturbance,
a fact with Freud held only as a theory, and only
seldom demonstrated."

(b) Twenty-four pamphlet, entitled "Ability Issue 71:
Being Clear and How to Get There," by L. Ron Hubbard.

"Scientologically, the optimum individual is called
the clear. One will hear much of that word, both
as a noun and a verb, so it is well to spend the
time here at the outset setting forth exactly what
can be called a clear, the goal of Scientology
processing.

"A clear can be tested for any and all psychoses,
neuroses, compulsions and represssions (all aber-
rations) and can be examined for any autogenic (self
generated) diseases referred to as psychosomatic
ills. These tests confirm the clear to be entirely

without such ills or aberrations. Additional tests of his intelligence indicate it to be high above the current norm. Observation of his activity demonstrates that he pursues existence with vigor and satisfaction.

"Further, these results can be obtained on a comparative basis. A neurotic individual, possessed also of psychosomatic ills, can be tested for those aberrations and illnesses demonstrating they exist. He can then be given Scientology processing to the end of clearing these neuroses and ills. Finally, he can be examined, with the above results. This, in passing, is an experiment which has been performed many times with invariable results. It is a matter of laboratory test that all individuals who have organically complete nervous systems respond in this fashion to Scientology clearing."

(c) Book, entitled "Dianetics: The Modern Science of Mental Health," by L. Ron Hubbard.

"Simple though it is, dianetics does and is these things:

1. Is is an organized science of thought built on definite axioms: statements of natural laws on the order of those of the physical sciences.
2. It contains a therapeutic technique with which can be treat all inorganic mental ills and all psychosomatic ills, with assurance of complete cure in un-

selected cases.

3. It produces a condition of ability and rationality for Man well in advance of the current norm, enhancing rather than destroying his vigor and personality.
4. Dianetics gives a complete insight into the full potentialities of the mind, discovering them to be well in excess of past supposition.
5. The basic nature of man is discovered in dianetics rather than hazarded or postulated, since that basic nature can be brought into action in any individual completely. And that basic nature is discovered to be good.
6. The single source of mental derangement is discovered and demonstrated, on a clinical or laboratory basis, by dianetics.
7. The extent, storage capacity and recallability of the human memory is finally established by dianetics.
8. The full recording abilities of the mind are discovered by dianetics with the conclusion that they are quite dissimilar to former suppositions.
9. Dianetics brings forth the non-germ theory of disease, complementing bio-chemistry and Pasteur's work on the germ theory to embrace the field.
10. With dianetics ends the "necessity of destroying the brain by shock or surgery to effect "tractability" in mental patients and "adjust" them.
11. A workable explanation of the physiological

effects of drugs and endocrine substances exists in dianetics and many problems posed by endocrinology are answered."

"Chapter V

PSYCHO-SOMATIC ILLNESS"

"Psycho-somatic illnesses are those which have a mental origin but which are nevertheless organic. Despite the fact that there existed no precise scientific proof of this before dianetics, and opinion as to their existence has been strong since the days of Greece, and in recent times various drug preparations have been concocted and sold which were supposed to overcome these sicknesses. Some success was experienced, sufficient to warrant a great deal of work on the part of researchers. Peptic ulcers, for instance, have yielded to persuasion and environmental change. A recent drug called ACTH has had astonishing but wildly unpredictable results. Allergies have been found to yield more or less to things which depressed histamine in the body.

"the problem of psycho-somatic illness is entirely embraced by dianetics, and by dianetic technique such illness has been eradicated entirely in every case."

"On the physical therapy level anything as violent as surgery or exodontistry in the psycho-somatic place is utter barbarism in the light of dianetics.

'Toothache' is normally psycho-somatic."

Organic illnesses enough to fill several catalogues are psycho-somatic. No recourse to surgery of any kind should be had until it is certain that the ailment is not psycho-somatic or that the illness will not diminish by itself if the potency of the reactive mind is reduced.

(d) Twelve-page pamphlet, entitled "Ability Issue 72"

(e) Sixty-four page booklet entitled "Scientology: The Fundamentals of Thought", by L. Ron Hubbard. Subtitle: "The Basic Book of the Theory and Practice of Scientology for Beginners".

Scientology is that branch of psychology which treats of (embraces) human ability. It is an extension of DIANETICS * * * Scientology is actually a new but very basic psychology in the most exact meaning of the word. It can and does change behaviour and intelligence and it can and does assist people to study life.

Scientology, used by the trained and untrained person improves the health, intelligence, ability, behaviour, skill and appearance of people.

It is a precise and exact science, designed for an age of exact sciences.

Scientology is employed by an Auditor (one who listens and commands) as a set of drills (exercises, processes) upon the individual, and small or large groups. It

is also employed as an educational (teaching) subject. It has been found that persons can be processed (drilled) in Scientology with Scientology exercises and can be made well of many, many illnesses and can become brighter, more alert and more competent. BUT if they are only processed they have a tendency to be overwhelmed or startled and although they may be brighter and more competent they are still held down by an ignorance of life. Therefore, it is far better to teach AND process (audit, drill) a person than only to process him. In other words the best use of Scientology is through processing and education in Scientology. In this way there is no imbalance. It is interesting that people only need to study Scientology to have some small rise in their own intelligence, behaviour and competence. The study itself is therapeutic (good medicine) by actual testing.

Tens of thousands of case histories (reports on patients, individual records) all sworn to (attested before public officials) are in the possession of the organizations of Scientology. No other subject on earth except physics and chemistry has had such grueling testing (proofs, exact findings). Scientology, in the hands of an expert (Auditor) can cure some 70% of Man's illnesses (sicknesses). Scientology is used by some of the largest companies (business organizations) on Earth. It is valid. It has been

1 tested. It is the only thoroughly tested system
2 of improving human relations, intelligence and charac-
3 ter and is the only one which does.
4

- 5 (f) Seventy-one page booklet, entitled "The Problems
6 of Work," by L. Ron Hubbard.

7 "Scientology is the first American science of Man.

8 It is the technical know-how of the American applied
9 to himself. In contrast to the metaphysical thinking
10 of Europe that has formed the basis of our concepts
11 of ourselves, Scientology is a technology, is factual
12 and is exact as the technologies that base the develop-
13 ment of the atom bomb...and it has a like source -
14 the first class in nuclear physics, taught at George
15 Washington University.

16 "Scientology can and does change human behavior
17 for the better. It puts the individual under control
18 of himself - where he belongs. Scientology can
19 and does increase human intelligence. By the most
20 exact tests known it has been proven that Scientology
21 can greatly increase intelligence in the individual.
22 And Scientology can do other things. It can reduce
23 reaction time and it can pull the years off one's
24 appearance. But there is no intention here to give
25 a list of all it can do. It is a science of life
26 and it works. It adequately handles the basic
27 rules of life and it brings order into chaos.

28 ////

1 "The mysteries of life are not today, with Scientology,
2 very mysterious. Mystery is not a needful ingredient..
3 Only the very aberrated man desires to have vast
4 secrets held away from him. Scientology has slashed
5 through many of the complexities which have been
6 erected for men and has bared the core of these prob-
7 lems. Scientology for the first time in man's history
8 can predictably raise his intelligence, increase ability,
9 bring about a return of the ability to play a game,
10 and permits man to escape from the dwindling spiral
11 of his own disabilities. Therefore, work itself
12 can become a game, a pleasant and happy thing.

13
14 (g) "Hard cover book, 112 pages, entitled "All About
15 Radiation, by a Nuclear Physicist and a Medical
16 Doctor"

17 We care very little about whether there is radiation
18 in the atmosphere because a person who is in excellent
19 physical condition does not particularly suffer
20 mentally and thus physically from the effects of
21 radiation. When a person is at a level where his
22 general physical health is good, then this worry is
23 not capable of depressing him into ill-health. Ra-
24 diation is more of a mental than a physical problem
25 and Scientology handles that."

26 "The reaction to radiation in persons who have been
27 given Scientology processing is by actual tests much
28 lower than those who have not received it. We have

1 conducted many experiments in that direction. But
2 even we would find it very difficult and even anti-
3 pathetic to get everybody together and give them
4 the amount of group processing needed as safeguard
5 against radiation."

6 6. The foregoing publications and representations
7 have been excerpted and quoted directly from the "Appendix"
8 in the case of United States v. Article or Device, 333 F.Supp.
9 357 at p. 365 (Dis.Col.D. 1971), where a Federal Court found
10 that the quoted publications were "Non-religious, and Samples
11 of False or Misleading Claims, (Emphasis supplied). The Circuit
12 Court of Appeals affirmed the foregoing case, issuing the fol-
13 lowing "Judgment":

14 ORDERED, ADJUDGED, and DECREED that such condemned
15 E-meters and literature shall be deemed to comply
16 with the law if and only if they are used, sold or
17 distributed in accordance with the following specific
18 conditions:

- 19 1. E-meters shall be used or sold or distributed
20 only for use in bona fide religious counseling.
21 2. Each E-meter shall bear the following warning,
22 printed in 11-point leaded type, permanently affixed
23 to the front of the E-meter so that it is clearly
24 visible when the E-meter is used, sold or distributed:

25 The E-meter is not medically or scientifically
26 useful for the diagnosis, treatment, or preven-
27 tion of any disease. It is not medically or
28 scientifically capable of improving the health

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or bodily functions of anyone.

3. Any and all items of written, printed, or graphic matter which directly or indirectly refers to the E-meter or to Dianetics and/or Scientology and/or auditing or processing shall not be further used or distributed unless and until the item shall bear the following prominent printed warning permanently affixed to said item on the outside front cover or on the title page in letters no smaller than 11-point leaded type:

WARNING

The device known as as Hubbard Electrometer, or E-Meter, used in auditing, a process of Scientology and Dianetics, is not medically or scientifically useful for the diagnosis, treatment, or prevention of any disease. It is not medically or scientifically capable of improving the health or bodily functions of anyone.

7. Between the years 1972 and 1981 cross-complainant was entitled to receive the "Warning" required by said Judgment specifically in connection with the publications and the representations therein, published by the Church of Scientology of California and read and relief upon by the cross-complainant:

- (a) Eight-page pamphlet entitled "What is Scientology?";
- (b) Book entitled "Dianetics: The Modern Science of Mental Health";

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- (c) Book entitled: "All About Radiation, by a Nuclear Physicist and a Medical Doctor"

8. Notwithstanding the foregoing "Judgment" between 1972 and 1981, cross-complainant paid for and received from California the publications set forth in paragraphs 5 and 6, did not receive the foregoing "Warning"; and was told the following by an employee of California:

- (a) Scientology is an educational, scientific, non-profit organization, abiding by the laws of the United States governing non-profit, organizations, dedicated to the well-being of mankind and engaged in lawful, educational and scientific research, study and practices;
- (b) Scientology and auditing were scientifically guaranteed to cure health problems and diseases;
- (c) Scientology and auditing were scientifically guaranteed to raise plaintiff's I.Q.;
- (d) Scientology and auditing were scientifically guaranteed to promote family unity and preserve marriages;
- (e) L. Ron Hubbard, was a nuclear physicist and a Medical Doctor with degrees from George Washington University and Princeton University. Hubbard was a war hero; he was severely wounded after serving 4 years in actual combat in the South Pacific from 1941 through 1944; and that he cured himself through auditing while spending one year in a military hospital for wounds, including

blindness from an exploding shell, received in combat. California agents showed cross-complainant numerous publications with the foregoing representations.

- (f) Auditing disclosures were completely confidential;
- (g) Scientology and auditing were scientifically guaranteed to prevent colds, improve eyesight, cure neuroses, cure mental, physical and emotional problems. Hubbard was the living proof that physical illness such as combat wounds could be cured, and after the war he completely healed himself.
- (h) Scientology and auditing were scientifically guaranteed to improve cross-complainant's career opportunities.
- (i) Hubbard was a world renowned explorer having completed numerous expeditions.

9. Between 1972 and 1981, cross-complainant specifically relied upon the foregoing representations set forth in paragraph 8 and the publications set forth in paragraph 5. Cross-Complainant particularly and expressly relied upon the representations that L. Ron Hubbard was a medical doctor, a nuclear physicist, a college graduate from George Washington University and Princeton, that Hubbard had served 4 years in actual combat and had healed himself of combat wounds including blindness from an exploding shell through the power of Scientology, dianetics and auditing. Cross-Complainant specifically relied upon the representations that "California" and Scientology were a world-wide

scientific, educational organization engaged in law-abiding, scientific practices and policies throughout the United States and the world.

10. Between 1972 and 1981, cross-complainant paid for and received from California all of the publications set forth in paragraph 5, which he had not previously purchased. Cross-complainant also purchased additional publications, which together with those set forth in paragraph 7, did not have the "Warning" required by said "Judgment set forth in paragraph 6. In addition, cross-complainant read in these publications and was told by employees of California on a regular basis the following:

If cross-complainant undertook "auditing", all information disclosed in "auditing" would remain confidential with his "auditor" and he was "scientifically guaranteed" the following benefits:

- a) It would cure all mental, emotional and physical problems;
- b) It would raise his I.Q. level;
- c) It would prevent and cure colds;
- d) It would improve eyesight of cross-complainant;
- e) It would increase cross-complainant's career opportunities;
- f) It would raise the I.Q. of cross-complainant.

11. Cross-complainant particularly relied upon the fact that his "auditor" would keep confidential everything he told him, that "auditing" was invented by Hubbard, that Hubbard was a medical doctor, a nuclear

1 physicist, a college graduate, and that Hubbard invented "audit
2 after being severely wounded in 4 years of combat, in order to
3 cure his blindness from war wounds.

4 12. As a result of the foregoing, between 1972 and 198
5 cross-complainant underwent numerous "auditing" sessions during
6 which he disclosed virtually ever detail of his personal life an
7 every detail he knew about other lives, including his parents.

8 13. Between February 1971 and 1975, California placed
9 cross-complainant on the Apollo where he was made to participate
10 in an extensive and continuous "operation" to conceal Hubbard's
11 control of all Scientology organizations. Cross-complainant
12 observed the senior executives of California continuously perpe-
13 trate schemes to conceal Hubbard's presence on the Apollo and
14 authority over every Scientology organization when the Apollo was
15 in various ports in the world. Cross-complainant personally
16 observed Hubbard establish the "wages" of the ship's crew which
17 Hubbard would change at any time for any reason. In order to
18 maintain complete autonomy over all corporations including
19 California, no Board of Directors' members were given any authority
20 and could be changed by Hubbard at any time. Hubbard's public
21 position was that he had resigned as an officer of all Scientology
22 organizations and exercised no authority over them which was false
23 At the time, Hubbard and California stated to the cross-complainant
24 that such conduct was legal and proper. Cross-complainant learned in
25 1981 that such "operations were designed to deceive the I.R.S. and
26 violate Federal laws relating to non-profit organizations. Cross-complainant
27 was also told that California and Scientology were not really
28 ///

1 a religion but that it created a "public image" for tax purposes
2 of being a religion.

3 14. Between 1971 and March 1980, cross-complainant
4 physically observed Hubbard in California, on the ship Apollo and
5 in Clearwater, Florida, operate the Church of Scientology through-
6 out the world. Hubbard's operations and his control of Sciento-
7 logy during this period of time involved hundreds of criminal
8 operations to burglarize and steal from government agencies and
9 private agencies and groups; and also to attack and destroy
10 private agencies and groups, as more fully set forth infra. Cross-
11 complainant did not learn of the nature of these "operations"
12 until 1980-1981, but he was made to unknowingly participate in
13 them, from the time he was on the "Apollo" until 1981. Cross-
14 complainant observed the shredding of thousands of documents
15 between 1978 and 1981 which contained some of the criminal
16 operations hereinafter set forth.

17 15. Between 1971 and December 1981, cross-complainant
18 unwittingly participated as an employee and agent of California
19 in the production of income for California which was used for the
20 criminal operations and tortious and fraudulent activities and
21 representations set forth in this Cross-Complaint. Cross-
22 complainant was deceived by Hubbard and California as to the true
23 nature and purpose of what California's funds were being used for.
24 He contributed his time and work to assist in the production of
25 said funds.

26 16. Between 1971 and 1980, it was continuously repre-
27 sented to cross-complainant that Hubbard was a nuclear physicist,
28 ///

1 a graduate of many universities including Princeton, had cured
2 his own blindness and other wounds with auditing, which wounds
3 he received during 4 years of actual combat in WWII, that Sci-
4 entology and auditing were scientifically guaranteed to
5 cure any disease and solve any problem, that Scientology was
6 a scientific and educational organization operating in ac-
7 cordance with all of the laws of the United States and that
8 auditing was absolutely confidential.

9 17. Between 1971 and December, 1981, cross-complainant
10 underwent numerous "auditing sessions" and "security checks"
11 during which period of time he revealed everything about him-
12 self and his family.

13 18. In 1979, after considerable information began
14 to be disseminated in the public press about the criminal and
15 tortious activities of California including the indictment
16 of 11 of the highest ranking executives of California, California
17 coerced most of its employees including the cross-complainant into
18 signing various legal releases and non-disclosure bonds in
19 order to prevent said employees from revealing any of the
20 criminal and tortious acts of California and Hubbard.

21 19. In 1980, Hubbard contracted with cross-complainant to
22 collect documents and materails about his background for the purpose
23 of a biography to be written by Omar V. Garrison. While
24 undertaking the aforesaid task, cross-complainant learned that the
25 representations and statement uniformly made in written publi-
26 cations and releases of California relative to Hubbard's back-
27 ground, qualifications, credentials, etc. were almost entirely
28 false.

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20. Contrary to the representations made to the cross-complainant, Hubbard is not a nuclear physicist, nor a medical doctor, did not graduate from George Washington University or Princeton, did not serve 4 years in combat, did not suffer any wounds as a result of combat, and did not cure blindness resulting from war wounds through auditing. Hubbard, in fact, never graduated from said universities, flunked the only physics course he ever took, never served in any combat, spent 4 years in the U.S. Navy in the United States, except for three months in Australia. Hubbard was relieved of duty on several occasions once in June 1943 when he ordered the crew of a ship to fire "practice rounds" off the coast of Mexico; and again relieved of duty in September 1944 when he found a coke bottle filled with gasoline with a wick attached on board his ship three days before the ship sailed to the South Pacific and into combat. Hubbard sought a disability from the V.A. for suicidal tendencies and mental illness, and was diagnosed as suffering from duodenal ulcers. He was involved in a bigamous marriage, stole funds from his partner, wrote bad checks and was generally chased by various authorities and creditors across the United States.

21. Following cross-complainant's departure from California in December 1981, he has been made subject to a "Suppressive Persons Declaration" which subjects him to the "Fair Game Doctrine". The Fair Game Doctrine is a policy of California

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written and copyrighted by Hubbard which states that cross-complainant is subject to being "destroyed" by California. Pursuant to said policy, cross-complainant has had materials stolen from him by agents and employees of Hubbard and California, he has been continually harassed by being followed, pushed, assaulted, and kept under constant surveillance by California's agents. Cross-complainant's auditing files have been sent to various executives within California in violation of the promise of confidentiality. Cross-complainant is presently in fear that his life is in danger.

CAUSE OF ACTION

FIRST CAUSE OF ACTION - BREACH OF CONTRACT

22. Cross-complainant realleges paragraphs 1 through 21 hereof and further alleges:

23. Cross-defendant does not constitute, operate or function as a legitimate, scientific, educational and non-profit organization as represented to cross-complainant. Cross-defendant, intentionally and as a part of a scheme illustrated by corporate policy and doctrine, engaged in the following conduct in breach of the representations and promises made to the cross-complainant, which conduct constitutes a criminal conspiracy and which conduct is set forth in the "Stipulation of Evidence", executed by Mary Sue Hubbard, the highest official of California, and on file in Washington, D.C. For numerous years Hubbard and California committed the following acts on a routine basis as part of the daily operation of the Church of Scientology:

a. California committed perjury and adopted policies

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designed to perpetrate continued perjurious acts in direct contravention of the representations to the cross-complainant;

b) California committed burglary and larceny and adopted policies designed to perptrate continued burglaries and larcenous acts in direct contravention of representations to the cross-complainant;

c) California illegally invaded the privacy of public and private persons and offices, and adopted policies designed to perpetrate continued acts of illegal invasion of privacy all in contravention of representations to the cross-complainant;

d) California "framed", slandered libeled, cheated, mocked and attempted to destroy members of the Church and the public in contravention of representations to the cross-complainant;

e) California diverted monies into Swiss bank accounts of Hubbard and others to be used for personal and illegal purposes violating laws and regulations governing non-profit institutions and in contravention of representations to the cross-complainant.

24. Contrary to the promises and representations made to cross-complainant, California and Hubbard did not:

- a) Keep confidential his auditing disclosures;
- b) Raise I.Q.;
- c) Cure physical disease and emotional problems;
- d) Increase career opportunities;
- e) Improve eyesight; and

f) Heal wounds and injuries quickly.

25. In consideration of the promises and representations made to him, cross-complainant

a) Invested eleven (11) years of his life, laboring an average of 80 hours per week for California and Hubbard without compensation;

b) Forfeited a formal education;

c) Suffered physical, emotional and mental trauma;

d) Was placed in fear and trepidation because of the intimidating and harassive tactics of the cross-defendant pursuant to the "Fair Game Doctrine" written by Hubbard and enforced by "California", which doctrine states:

"Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

e) Made personal disclosures about his life during intensive "auditing" sessions, which cross-complainant was promised would remain confidential and which California thereafter disclosed to third persons.

26. As a result of the breach of the promises and representations made by California and Hubbard, cross-complainant was damaged in the amount of Five Million (\$5,000,000.00) Dollars.

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SECOND CAUSE OF ACTION - FRAUD

27. Cross-complainant realleges paragraphs 1 through 26, hereof and further alleges:

28. Cross-defendant made the representations set forth in paragraphs 5 through 11 hereof, which representations are specifically incorporated in this Cause of Action. Said representations were and are false. Said representations were made by California and Hubbard with knowledge of their falsity or were made without regard to the truth or falsity of the representations and were made with the intent of inducing reliance on the part of the cross-complainant.

29. Cross-complainant relied on the representations made in paragraphs 5 through 11 in the manner set forth in paragraph 25, subparagraphs a) through e), which paragraphs are specifically incorporated by reference in this Cause of Action.

30. In reliance on said representations in the manner set forth in paragraphs 25, cross-complainant was damaged in the amount of Five Million Dollars (\$5,000,000.00). Cross-complainant further demands punitive damages in the amount of: Fifteen Million Dollars (\$15,000,000.00) for the intentional fraud perpetrated by the cross-defendants and for violation of a federal "Judgment" as applied to him.

THIRD CAUSE OF ACTION - FOR INTENTIONAL INFLICTION
OF EMOTIONAL DISTRESS OR OUTRAGEOUS CONDUCT

31. Cross-complainant realleges paragraphs 1 through 30 hereof and further alleges:

32. California and Hubbard pursued a systematic

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course of conduct pursuant to the "Fair Game Doctrine", which policy promotes harassment and intimidation of those opposed to scientology.

33. Pursuant to the policy of "Fair Game", California and Hubbard have declared cross-complainant to be a "Suppressive person" subject to said policy and have harassed cross-complainant as set forth in paragraph 21 hereof.

34. California and Hubbard promised and represented to cross-complainant that any and all information disclosed during auditing would remain confidential between the auditor and cross-complainant.

35. California and Hubbard breached the promise and disclosed to third persons the confidential information disclosed during auditing. Additionally, cross-defendants intentionally, and as part of a scheme adopted as policy and doctrine by the corporate cross-defendants, engaged in a systematic course of conduct designed and intended to disclose the information received during auditing and thereby to control and manipulate the cross-complainant. Cross-defendants have continuously harassed cross-complainant as set forth in paragraphs 43 and 44. Such a scheme was intentionally effectuated and inflicted severe emotional distress to the cross-complainant.

36. Cross-defendants' pattern of conduct in the policy of "Fair Game", and auditing disclosures, was designed and calculated to cause emotional, physical and psychological distress. Such a scheme was intentionally effectuated and inflicted severe mental, physical and emotional distress to cross-complainant. The scheme is outrageous and extreme beyond all

possible bounds of decency and utterly intolerable in a civilized community.

37. The foregoing course of conduct caused damage to the cross-complainant in the sum of Five Million (\$5,000,000.00) Dollars. Cross-complainant further demands punitive damages in the amount of Fifteen Million (\$15,000,000.00) Dollars.

FOURTH CAUSE OF ACTION

BREACH OF CONTRACT AGAINST L. RON HUBBARD AND CALIFORNIA RE:

BIOGRAPHICAL MATERIALS AND DOCUMENTS

38. Cross-complainant realleges paragraphs 1 through 26 hereof and further alleges:

39. L. Ron Hubbard personally and through his agent, California promised cross-complainant that cross-complainant would have the exclusive right to collect and collate documents and materials for the purpose of writing the biography of L. Ron Hubbard in collaboration with Omar Garrison and that cross-complainant would have the right to hold and possess said documents and materials.

40. In consideration of the foregoing promises made by Hubbard and his agent, California, cross-complainant provided labor for a period of approximately two and one half years, working 60 - 80 hours per week collecting, collating and indexing said documents and materials and maintaining possession of them for the purpose of collaborating with Garrison for the purpose of writing said biography.

41. Cross-complainant and Garrison have fulfilled each and every promise and obligation made by them as hereinabove set forth. They have collected, collated and indexed said documents

and materials for the purpose of writing said biography.

42. Hubbard and his agents have breached the aforesaid agreement by refusing to allow cross-complainant to use said materials for the purpose of writing said biography and have wrongfully sought to regain possession of them.

43. Cross-complainant's labor for a period of approximately 30 months was expressly provided in consideration of the aforesaid agreement. Cross-complainant's labor has a value of \$100,000.00 for said period at a rate of \$40,000.00 per year. Cross-complainant claims damages against Hubbard and California in the amount of \$100,000.00.

WHEREFORE, cross-complainant prays for judgment against cross-defendants, each, as follows:

FIRST CAUSE OF ACTION

1. General damages in the sum of Five Million Dollars (\$5,000,000.00);

SECOND CAUSE OF ACTION

2. General damages in the sum of Five Million Dollars (\$5,000,000.00);

3. Punitive damages in the sum of Fifteen Million Dollars (\$15,000,000.00);

THIRD CAUSE OF ACTION

4. General damages in the sum of Five Million Dollars (\$5,000,000.00);

5. Punitive damages in the sum of Fifteen Million Dollars (\$15,000,000.00);

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FOURTH CAUSE OF ACTION:

6. Special damages in the sum of \$100,000.00;

ALL CAUSES OF ACTION

7. For costs of suit incurred herein; and,

8. For such other and further relief as this Court may
deem just and proper.

DATED: September 17, 1982

CONTOS & BUNCH

By: Bruce M. Bunch
BRUCE M. BUNCH
Attorneys for Defendant
and Cross-Complainant,
GERALD ARMSTRONG

STATE OF CALIFORNIA, COUNTY OF Los Angeles

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I am the cross-complainant

in the above entitled action or proceeding; I have read the foregoing Cross-Complaint

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on September 16, 1982 at Woodland Hills, California
(date) (place)


Signature GERALD ARMSTRONG

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF Los Angeles

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

5855 Topanga Canyon Blvd. Ste. 400, Woodland Hills CA 91367

On September 17, 1982, I served the within Cross-Complaint for

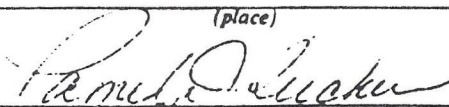
on the parties herein
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Woodland Hills addressed as follows:

CAROL E. KOHLWECK
GREY & KOHLWECK
1821 Wilshire Blvd., #210
Santa Monica CA 90403

JOHN G. PETERSON
TRABISH & PETERSON
4676 Admiralty Way, Ste. 902
Marina Del Rey, CA 90291

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on Sept. 17, 1982 at Woodland Hills, California
(date) (place)


Signature

PAMELA J. RUCKER

STATE OF CALIFORNIA, COUNTY OF

A 183 :

I am the.

in the above entitled action or proceeding. I have read the foregoing.

and know the contents thereof; and I certify that the ~~same~~ is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

Executed on _____ at _____, California
(date) (place)

Signature

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

5855 Topanga Canyon Blvd., Ste. 400, Woodland Hills CA 91367

On September 17, 1982, I served the within CROSS-COMPLAINT

on the _____ parties herein

in said action. b6 b7C b7D XXX

xx BY HAND DELIVERY TO:

RECEIVED:

LAWRENCE E. HELLER
LENSKE, LENSKE, HELLER & MAGASIN
A Law Corporation
6400 Canoga Ave., Ste. 315
Woodland Hills, CA 91367

Executed on Sept. 17, 1982 at Woodland Hills, California
(date) (place)

Signature _____

LENA PEYTON

CONTOS & BUNCH
8855 Topanga Canyon Boulevard
Suite 400
Woodland Hills, California 91367
Telephone (213) 716-9400

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FILED: 7/1/83

Attorneys for Defendant and Cross-Complainant
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG, DOES 1
through 10, inclusive,

Defendants,

GERALD ARMSTRONG,

Cross-Complainant,

vs.

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
corporation, L. RON HUBBARD,
CHURCH OF SCIENTOLOGY
INTERNATIONAL, RELIGIOUS
TECHNOLOGY CENTER, and DOES
1 through 100,
inclusive,

Cross-Defendants.

CASE NUMBER: C 420 153

THIRD AMENDED CROSS-COMPLAINT FOR
DAMAGES

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Cross-Complainant, GERALD ARMSTRONG, alleges as

follows:

PARTIES

1. Cross-Defendant, CHURCH OF SCIENTOLOGY OF CALIFORNIA, hereinafter Cross-Defendant "SCIENTOLOGY" is a corporation organized and existing under the laws of the state of California, having a principal office and place of business in California and doing business in the State of California within the territorial jurisdiction of this Court.

2. Cross-Defendant, L. RON HUBBARD, hereinafter Cross-Defendant HUBBARD, is the founder of Cross-Defendant SCIENTOLOGY and at all times material to this Cross-Complaint was, by virtue of his role as the founder and leader of Cross-Defendant SCIENTOLOGY, overall supervisor of the Guardian's Office and of the Sea Organization of Cross-Defendant SCIENTOLOGY. The Guardian's Office and Sea Organization had agents operating in Cross-Defendant SCIENTOLOGY under the ultimate control of Cross-Defendant HUBBARD. Cross-Defendant HUBBARD was knowledgeable and had ultimate control over the activities of employees of Cross-Defendant SCIENTOLOGY specifically over the Guardian's Office and Sea Organization as pled herein. Cross-Defendant HUBBARD was a resident of the State of California from early 1976 through several months into 1980 at which time some of the acts complained of herein against Cross-Defendants, each, commenced, although said acts were not discovered until the

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11 of 1981. Cross-Defendant HUBBARD has a legal address in
the state of California although he is now concealing his
whereabouts through an elaborate system with the goal of
avoiding service of legal process or summons. The acts
alleged herein of Cross-Defendant SCIENTOLOGY are the acts as
agent of Cross-Defendant HUBBARD and said acts constituted a
course of conduct carried on within the State of California
under the orders and supervision of Cross-Defendant HUBBARD.
The acts of Cross-Defendant HUBBARD against Cross-Complainant
were causing consequences in the State of California by
fraudulently using the services, time, and labor of the
Cross-Complainant. Cross-Defendant HUBBARD is believed to be
in the State of California, however he conceals his actual
whereabouts.

3. Cross-Defendant, CHURCH OF SCIENTOLOGY
INTERNATIONAL, hereinafter Cross-Defendant "SCIENTOLOGY
INTERNATIONAL", is a corporation organized and existing under
the laws of the State of California, having a principal
office and place of business in California, and doing
business in the State of California within the territorial
jurisdiction of this Court.

4. Cross-Defendant, RELIGIOUS TECHNOLOGY CENTER,
hereinafter Cross-Defendant "RTC", is a corporation organized
and existing under the laws of the State of California,
having a principal office and place of business in
California, and doing business in the State of California
within the territorial jurisdiction of this Court.

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5. At all times herein mentioned, the individuals set forth herein, Graham Leese, Kingsley Wimbush, Helen Pollen, Dorothy Knight, Jan Norton, Anne Tasket, Virgil Wilhite, Lyman Spurlock, Marilyn Brewer and other unnamed scientologists were acting as agents/representatives/employees for Cross-Defendant SCIENTOLOGY within the course and scope of their agency/representation/employment.

6. At all times herein mentioned, each Cross-Defendant was the agent and employee of each of the remaining Cross-Defendants, and in doing the things hereinafter mentioned, each Cross-Defendant was acting within the course and scope of its employment and authority as such agent/representative/employee, and with the consent of the remaining co-Cross-Defendants.

7. Cross-Defendants, DOES 1 through 100, inclusive, are sued herein under such fictitious names for the reason that the true names and capacities of said Cross-Defendants are unknown to Cross-Complainant at this time; that when the true names and capacities of said Cross-Defendants are ascertained Cross-Complainant will ask leave of Court to amend this Cross-Complaint to insert the true names and capacities of said fictitiously named Cross-Defendants, together with any additional allegations that may be necessary in regard thereto; that each of said fictitiously named Cross-Defendants claim that Cross-Complainant has a legal obligation to Cross-Defendants by virtue of the facts referred to below; that each of said

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fictitiously named Cross-Defendants are in some manner legally responsible for the acts and occurrences hereinafter alleged.

FIRST CAUSE OF ACTION

(For Fraud Against Cross-Defendants SCIENTOLOGY
and HUBBARD)

8. Cross-Complainant repeats and realleges paragraphs 1-7 as though fully set forth herein and further alleges:

9. At all times material herein, Cross-Defendants, each, held themselves out to the Cross-Complainant to be a part of a legitimate, law-abiding, scientific, education organization engaged in the business of providing goods and services as a non-profit organization wherever they were authorized by law to do business. Cross-Defendants, each, perpetrated the acts set forth in this Cross-Complaint as a matter of written policy, composed, implemented and enforced by the individual Cross-Defendant HUBBARD and specially implemented against the Cross-Complainant by the agents/representatives/employees of Cross-Defendant HUBBARD and SCIENTOLOGY pursuant to the written directives and policy of Cross-Defendant HUBBARD. The policies, doctrine and conduct alleged herein constitute a civil conspiracy by Cross-Defendants, each, to commit the torts set forth herein.

10. Cross-Defendants, HUBBARD and SCIENTOLOGY, have for a period exceeding 15 years engaged in a pattern of

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"The first science to make whole classes of backward children averagely bright using only drills the teacher can do a few minutes in each day."

"The first science to determine the basic cause of disease."

"The first science to contain exact technology to routinely alleviate physical illnesses with complete predictable success."

"The first science of mind to prove conclusively that physical illness can stem from mental disturbance, a fact which Freud held only as a theory, and only seldom demonstrated."

(b) Twenty-four page pamphlet, entitled "Ability Issue 71: Being Clear and How to Get There," by L. Ron Hubbard.

"Scientology, the optimum individual is called the clear. One will hear much of that word, both as a noun and a verb, so it is well to spend the time here at the outset setting forth exactly what can be called a clear, the goal of Scientology processing."

"A clear can be tested for any and all psychoses, neuroses, compulsions and repressions (all aberrations) and can be examined for any autogenic (self generated) diseases referred to as psychosomatic ills. These tests confirm the clear to be entirely without such ills or aberrations. Additional tests of his intelligence

indicate it to be high above the current norm.
observation of his activity demonstrates that he pursues
existence with vigor and satisfaction."

"Further, these results can be obtained on a comparative
basis. A neurotic individual, possessed also of
psychosomatic ills, can be tested for those aberrations
and illnesses demonstrating they exist. He can then be
given Scientology processing to the end of clearing
these neuroses and ills. Finally, he can be examined,
with the above results. This, in passing, is an
experiment which has been performed many times with
invariable results. It is a matter of laboratory test
that all individuals who have organically complete
nervous systems respond in this fashion to Scientology
clearing."

(c) Book, entitled "Dianetics: The Modern Science of
Mental Health," by L. Ron Hubbard.

"Simple though it is, dianetics does and is these
things:

1. It is an organized science of thought built on
definite axioms: statements of natural laws on the order
of those of the physical sciences.

2. It contains a therapeutic technique with which can
be treated all inorganic mental ills and all psycho-
somatic ills, with assurance of complete cure in
unselected cases.

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3. It produces a condition of ability and rationality for Man well in advance of the current norm, enhancing rather than destroying his vigor and personality.
4. Dianetics gives a complete insight into the full potentialities of the mind, discovering them to be well in excess of past supposition.
5. The basic nature of man is discovered in dianetics rather than hazarded or postulated, since that basic nature can be brought into action in any individual completely. And that basic nature is discovered to be good.
6. The single source of mental derangement is discovered and demonstrated, on a clinical or laboratory basis, by dianetics.
7. The extent, storage capacity and recallability of the human memory is finally established by dianetics.
8. The full recording abilities of the mind are discovered by dianetics with the conclusion that they are quite dissimilar to former suppositions.
9. Dianetics brings forth the non-germ theory of disease, complementing bio-chemistry and Pasteur's work on the germ theory to embrace the field.
10. With dianetics ends the 'necessity of destroying the brain by shock or surgery to effect 'tractability' in mental patients and 'adjust' them.'
11. A workable explanation of the physiological effects of drugs and endocrine substances exists in dianetics

and many problems posed by endocrinology are answered."

"Chapter V

"PSYCHO-SOMATIC ILLNESS"

"psycho-somatic illnesses are those which have a mental origin but which are nevertheless organic. Despite the fact that there existed no precise scientific proof of this before dianetics, and opinion as to their existence has been strong since the days of Greece, and in recent times various drug preparations have been concocted and sold which were supposed to overcome these sicknesses. Some success was experienced, sufficient to warrant a great deal of work on the part of researchers. Peptic ulcers, for instance, have yielded to persuasion and environmental change. A recent drug called ACTH has had astonishing but wildly predicting results. Allergies have been found to yield more or less to things which depressed histamine in the body."

"The problem of psycho-somatic illness is entirely embraced by dianetics, and by dianetic technique such illness has been eradicated entirely in every case."

"On the physical therapy level anything as violent as surgery or exodontistry in the psycho-somatic place is utter barbarism in the light of dianetics. 'Toothache' is normally psycho-somatic."

"Organic illnesses enough to fill several catalogues are psycho-somatic. No recourse to surgery of any kind should be had until it is certain that the ailment is

not psycho-somatic or that the illness will not diminish by itself if the potency of the reactive mind is reduced."

(d) Twelve-page pamphlet, entitled "Ability Issue 72"

(e) Sixty-four page booklet entitled "Scientology: The Fundamentals of Thought", by L. Ron Hubbard.

Subtitle: "The Basic Book of the Theory and Practice of Scientology for Beginners".

Scientology is that branch of psychology which treats of (embraces) human ability. It is an extension of

DIANETICS * * * Scientology is actually a new but very basic psychology in the most exact meaning of the word.

It can and does change behaviour and intelligence and it can and does assist people to study life. Scientology, used by the trained and untrained person improves the health, intelligence, ability, behavior, skill and appearance of people.

It is a precise and exact science, designed for an age of exact sciences.

Scientology is employed by an Auditor (one who listens and commends) as a set of drills (exercises, processes) upon the individual, and small or large groups. It is also employed as an educational (teaching) subject. It has been found that persons can be processed (drilled) in Scientology with Scientology exercises and can be made

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well of many, many illnesses and can become brighter, more alert and more competent. BUT if they are only processed they have a tendency to be overwhelmed and startled and although they may be brighter and more competent they are still held down by an ignorance of life. Therefore, it is far better to teach AND process (audit, drill) a person than only to process him. In other words the best use of Scientology is through processing and education in Scientology. In this way there is no imbalance. It is interesting that people only need to study Scientology to have some small rise in their own intelligence, behaviour and competence. The study itself is therapeutic (good medicine) by actual testing.

Tens of thousands of case histories (reports on patients, individual records) all sworn to (attested before public officials) are in the possession of the organizations of Scientology. No other subject on earth except physics and chemistry has had such grueling testing (proofs, exact findings). Scientology in the hands of an expert (Auditor) can cure some 70% of Man's illnesses (sicknesses). Scientology is used by some of the largest companies (business organizations) on Earth. It is valid. It has been tested. It is the only thoroughly tested system of improving human relations, intelligence and character and is the only one which does.

(f) Seventy-one page booklet, entitled "The Problems of Work," by L. Ron Hubbard.

"Scientology is the first American science of Man. It is the technical know-now of the American applied to himself. In contrast to the metaphysical thinking of Europe that has formed the basis of our concepts of ourselves, Scientology is a technology, is factual and is exact as the technologies that base the development of the atom bomb . . . and it has a like source - the first class in nuclear physics, taught at George Washington University."

"Scientology can and does change human behavior for the better. It puts the individual under control of himself - where he belongs. Scientology can and does increase human intelligence. By the most exact tests known it has been proven that Scientology can greatly increase intelligence in the individual. And Scientology can do other things. It can reduce reaction time and it can pull the years off one's appearance. But there is no intention here to give a list of all it can do. It is a science of life and it works. It adequately handles the basic rules of life and it brings order into chaos."

"The mysteries of life are not today, with Scientology, very mysterious. Mystery is not a needful ingredient. Only the very aberrated man desires to have vast secrets held away from him. Scientology has slashed through many of the complexities which have been erected for men

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and has bared the core of these problems. Scientology for the first time in man's history can predicatably raise his intelligence, increase ability, bring about a return of the ability to play a game, and permits man to escape from the dwindling spiral of his own disabilities. Therefore, work itself can become a game, a pleasant and happy thing."

(g) "Hard cover book, 112 pages, entitled "All About Radiation, by a Nuclear Physicist and a Medical Doctor" (by Cross-Defendant HUBBARD)

We care very little about whether there is radiation in the atmosphere because a person who is in excellent physical condition does not particularly suffer mentally and thus physically from the effects of radiation. When a person is at a level where his general physical health is good, then this worry is not capable of depressing him into ill-health. Radiation is more of a mental than a physical problem and Scientology handles that."

"The reaction to radiation in persons who have been given Scientology processing is by actual tests much lower than those who have not received it. We have conducted many experiments in that direction. But even we would find it very difficult and even antipathetic to get everybody together and give them the amount of group processing needed as safeguard against radiation."

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11. The foregoing publications and representations have been excerpted and quoted directly from the "Appendix" in the case of United States v. Article or Device, 333 P.Supp. 357 at p. 365 (Dis.Col.D. 1971), where a Federal Court found that the quoted publications were "Non-religious, and Samples of False or Misleading Claims, (Emphasis supplied). The Circuit Court of Appeals affirmed the foregoing case, and issued a judgment condemning said literature and E-meters. In addition, said literature and E-meters were to bear a "Warning" to the reader/user that E-meters are not medically or scientifically useful for the diagnosis, treatment or prevention of any disease and are not capable of improving the health or bodily functions of anyone.

12. Between the years 1972 and 1981 Cross-Complainant was entitled to receive the "Warning" required by said Judgment specifically in connection with the following publications and the false and fraudulent representations therein, published by Cross-Defendant SCIENTOLOGY and read and relied upon by Cross-Complainant:

- (a) Eight-page pamphlet entitled "What is Scientology?";
- (b) Book entitled "Dianetics: The Modern Science of Mental Health";
- (c) Book entitled: "All About Radiation, by a Nuclear Physicist and a Medical Doctor".

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1 13. Notwithstanding the foregoing "Judgment",
2 between 1972 and 1981, Cross-Complainant paid for and
3 received from Cross-Defendants SCIENTOLOGY and HUBBARD the
4 publications set forth in Paragraphs 10 and 12, did not
5 receive the required "Warning".

6 14. In or about 1971 and continuously through
7 December, 1981, Cross-Defendants, each, through written
8 publications and oral statements of their agents/
9 representatives/employees Graham Leese, Kingsley Wimbush,
10 Helen Pollen, Dorothy Knight, Jan Norton and Ann Tasket,
11 falsely and fraudulently represented to Cross-Complainant
12 that if Cross-Complainant joined Scientology and underwent
13 various courses and auditing for money, the following
14 benefits were scientifically guaranteed:

15 (a) Scientology is an educational, scientific, law
16 abiding, non-profit organization, abiding by
17 the laws of the United States governing
18 non-profit organizations, dedicated to the
19 well-being of mankind and engaged in lawful,
20 educational and scientific research, study and
21 practices throughout the United States and the
22 world;

23 (b) Scientology and auditing were scientifically
24 guaranteed to cure health problems and
25 diseases;

26 (c) Scientology and auditing were scientifically
27 guaranteed to raise I.Q.;

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- 1 (d) Scientology and auditing were scientifically
2 guaranteed to promote family unity and
3 preserve marriages;
- 4 (e) Auditing disclosures were completely confi-
5 dential;
- 6 (f) Scientology and auditing were scientifically
7 guaranteed to prevent colds, improve eyesight,
8 cure neuroses, cure mental, physical and
9 emotional problems. Hubbard was the living
10 proof that physical illness such as combat
11 wounds could be cured, and after the war he
12 completely healed himself.
- 13 (g) Scientology and auditing were scientifically
14 guaranteed to improve Cross-Complainant's
15 career opportunities;
- 16 (h) All scientifically guaranteed benefits of
17 auditing would be obtained if Cross-
18 Complainant joined the Sea Organization of
19 Scientology;
- 20 (i) All medical and dental needs would be taken
21 care of if Cross-Complainant joined the Sea
22 Organization of Scientology;
- 23 (j) That by joining Scientology, Cross-Complainant
24 would be part of the most ethical group on the
25 planet.

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15. The representations so made by Cross-
defendants, each, were in fact secular and false. The true
facts were:

- (1) That Scientology and auditing did not
scientifically guarantee: a cure for health
problems and diseases; an increase in
Cross-Complainant's I.Q.; prevention of colds;
improvement of eyesight; a cure for neuroses;
a cure for all mental, physical and emotional
problems; and an improvement of
Cross-Complainant's career opportunities;
- (2) That Cross-Defendants, each, intended only to
take Cross-Complainant's money and enslave his
mind;
- (3) That Cross-Defendants, each, did not keep
confidential the highly personal auditing
disclosures of Cross-Complainant;
- (4) That Cross-Defendant HUBBARD was a fake and a
fraud as more fully set forth in Paragraph ;
- (5) That Cross-Defendant SCIENTOLOGY does not
constitute, operate or function as a
legitimate scientific, educational, non-profit
organization.

16. When Cross-Defendants, each, made the
aforementioned representations contained in Paragraphs 10 and
14, Cross-Defendants, each, knew said representations to be
false, and Cross-Defendants, each, made said representations

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with the intent to defraud and deceive Cross-Complainant and with the intent of inducing reliance and dependence on the part of Cross-Complainant to act in the manner hereinafter alleged.

17. During the years 1971 through December, 1981, to further induce Cross-Complainant to join Scientology and undergo various courses and auditing for money, it was falsely and fraudulently represented to Cross-Complainant, through biographical publications written by Cross-Defendant HUBBARD and distributed by Cross-Defendant SCIENTOLOGY, and through oral representations of their agents/- representatives/employees, Graham Leese and Dorothy Knight that:

- (a) Cross-Defendant HUBBARD was a medical doctor, that he graduated with an engineering degree from George Washington University, that he did post-graduate work at Princeton University and that he was a nuclear physicist;
- (b) Cross-Defendant HUBBARD had served four years in actual combat, commanded a squadron of Corvettes, and was crippled and blinded in World War II, but healed himself completely through Dianetic auditing;
- (c) Cross-Defendant HUBBARD was a war hero and received two purple hearts and a total of 28 medals and palms;

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- (d) Cross-Defendant HUBBARD spent several years in Asia, travelling and studying, including studies under Tibetan Lamas in his travels to Tibet;
- (e) Cross-Defendant HUBBARD was twice pronounced dead, but in 1950 given a perfect bill of health for mental and physical fitness;
- (f) Cross-Defendant HUBBARD had never been involved with Black Magic, but had been voted into the Policeman's Hall of Fame for breaking up a Black Magic ring;
- (g) Cross-Defendant HUBBARD studied the work of Sigmund Freud under a personal student of Freuds;
- (h) Cross-Defendant had done the first complete mineralogical survey of Puerto Rico.

Cross-Complainant particularly and expressly relied upon the foregoing representations, all of which Cross-Complainant discovered to be false and fraudulent in or about the fall of 1981.

18. Contrary to the false and fraudulent representations made to the Cross-Complainant, the true facts are that Cross-Defendant HUBBARD is not a nuclear physicist, nor a medical doctor; did not graduate from George Washington University or do post-graduate work at Princeton; did not serve four years in combat; did not suffer any wounds as a result of combat in World War II; did not cure blindness

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1 resulting from war wounds through auditing; was not a
2 decorated war hero; was never twice pronounced dead and
3 thereafter found to be physically and mentally fit; did not
4 study under Tibetan lamas or students of Freud; was involved
5 in Black Magic; and never did the first complete minera-
6 logical survey of Puerto Rico. Cross-Defendant HUBBARD, in
7 fact, never graduated from said universities, flunked the
8 only physics course he ever took, never served in any combat,
9 spent four years in the U.S. Navy in the United States,
10 except for three months in Australia; was relieved of duty on
11 several occasions, once in June 1943 when he ordered the crew
12 of a ship to fire "practice rounds" off the coast of Mexico;
13 and again relieved of duty in September 1944 when he found a
14 coke bottle filled with gasoline with a wick attached on
15 board his ship three days before the ship sailed to the South
16 Pacific and into combat; sought disability from the V.A. for
17 suicidal tendencies and mental illness, and was diagnosed as
18 suffering from duodenal ulcers; was involved in a bigamous
19 marriage, stole funds from his partner, wrote bad checks and
20 was generally chased by various authorities and creditors
21 across the United States.

22 19. Cross-Complainant, at the time said
23 aforementioned representations were made by Cross-Defendants,
24 each, was ignorant of the falsity of Cross-Defendants', each,
25 representations and believed them to be true. In reliance on
26 said representations, Cross-Complainant was induced to and
27 did the following:

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(a) Invested eleven years of his life, laboring an average of 80 hours per week for Cross-Defendants, each, without just compensation;

(b) Forfeited a formal education;

(c) Made personal disclosures about Cross-Complainant's life during intensive "auditing" sessions, which Cross-Complainant was promised would remain confidential and which Cross-Defendants, each, thereafter disclosed to third persons.

(d) Underwent course and "auditing" for which Cross-Complainant paid money to Cross-Defendants, each, in a sum which is presently unascertained, but Cross-Complainant will ask leave of Court to amend this Cross-Complaint when the same has been ascertained.

20. As a proximate result of Cross-Defendants', each, fraud and deceit, Cross-Complainant was induced to expend eleven years of time, energy and money in an attempt to derive the scientifically guaranteed benefits as represented by Cross-Defendants, each, by reason of which Cross-Complainant has been damaged in a sum which is presently unascertained, but Cross-Complainant will ask leave to Court to amend this Cross-Complaint when the same has been ascertained.

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21. In doing the acts herein alleged, Cross-defendants, each, acted with oppression, fraud and malice, and Cross-Complainant is entitled to punitive damages in the sum of Fifteen Million (\$15,000,000.00) Dollars.

SECOND CAUSE OF ACTION

(For Intentional Infliction of Emotional Distress
Against All Cross-Defendants)

22. Cross-Complainant repeats and realleges paragraphs 1 through 21 as though fully set forth herein and further alleges:

23. In or about 1971 and continuously through December, 1981, Cross-Defendants HUBBARD and SCIENTOLOGY promised and represented to Cross-Complainant that any and all information disclosed during "auditing" would remain confidential between Cross-Complainant and the auditor.

24. Contrary to said promises and representations, Cross-Defendants, each intentionally, oppressively and maliciously disclosed to third persons the confidential information disclosed by Cross-Complainant during "auditing". Further, Cross-Defendants, each, intentionally, oppressively and maliciously engaged in a systematic course of conduct designed and intended to disclose said information received during "auditing" to control and manipulate Cross-Complainant.

25. In or about February of 1982 and April of 1982, after Cross-Complainant left the Church of Scientology,

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1 Cross-Defendants, each intentionally, oppressively and
2 maliciously declared Cross-Complainant to be a "Suppressive
3 person" subject to the "Fair Game Doctrine", which promotes
4 harassment and intimidation of those opposed to Scientology
5 and states as follows:

6 "Fair Game. May be deprived of
7 property or injured by any means by any
8 Scientologist without any discipline of
9 the Scientologist. May be tricked,
10 sued or lied to or destroyed."

11 26. As a result of the intentional, oppressive and
12 malicious conduct of Cross-Defendants, each, in declaring
13 Cross-Complainant to be a "Suppressive Person" subject to the
14 "Fair Game Doctrine", Cross-Complainant was placed in
15 trepidation and fear for his life, has had materials stolen
16 from him by Cross-Defendants, each, has been continually
17 harassed, followed, pushed, assaulted, and kept under
18 constant surveillance by Cross-Defendants, each.

19 27. In doing the acts hereinabove alleged,
20 Cross-Defendants', each, conduct was intentional, malicious,
21 oppressive, outrageous and extreme, and done for the purpose
22 of causing Cross-Complainant severe emotional shock, trauma,
23 mental anguish, fear and anxiety.

24 28. As a direct and proximate result of the
25 intentional, oppressive, malicious, willful, wanton, wrongful
26 and reckless acts of Cross-Defendants, each, as aforesaid,
27 Cross-Complainant was hurt and injured in Cross-Complainant's
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health, strength and activity, sustaining shock and great emotional, physical and psychological distress; all of which caused and continue to cause Cross-Complainant great emotional, physical and psychological pain and suffering. Cross-Complainant is informed and believes that said injuries will result in some permanent disability to Cross-Complainant at this time, and Cross-Complainant will ask leave of Court to amend this Cross-Complaint in this regard when same has been ascertained.

29. In doing the acts herein alleged, Cross-Defendants, each, acted with oppression, fraud and malice, and Cross-Complainant is entitled to punitive damages in the sum of Fifteen Million (\$15,000,000.00) Dollars.

THIRD CAUSE OF ACTION

(For Libel On Its Fact Against All Cross-Defendants)

30. Cross-Complainant repeats and realleges Paragraphs 1 through 29 as though fully set forth herein and further alleges:

31. On or about February 18, 1982 and again on April 22, 1982, Cross-Defendants, each, printed, published, and circulated, or caused to be printed, published and circulated a "Suppressive Person Declare Gerry Armstrong", which is attached hereto as Exhibit "A" and incorporated herein for all purposes.

32. Said "Suppressive Person Declare Gerry Armstrong" is libelous on its face because it charges

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1 Cross-Complainant with the crimes of theft, illegally take or
2 possessing Church property, falsifying documents, false
3 pretenses, willful loss or destruction of Church property,
4 among numerous other groundless and baseless charges.

5 33. Said "Suppressive Person Declare Gerry
6 Armstrong" was read by individuals and third persons in or
7 about February and April of 1982 and thereafter, in the City
8 of Los Angeles, County of Los Angeles. Specifically, Virgil
9 Wilhite, agent/representative/employee of Cross-Defendant
10 SCIENTOLOGY was shown a copy of Suppressive Person Declare
11 Gerry Armstrong by Lyman D. Spurlock, Jr., agent/
12 representative/employee of Cross-Defendant RTC. Further,
13 Cross-Complainant was told by Marilyn Brewer, agent/
14 representative/employee of Cross-Defendant SCIENTOLOGY that
15 Suppressive Person Declare Gerry Armstrong was widely
16 distributed and that she had received a copy of said Declare
17 from the central communications center of the Cross-
18 Defendants, each - Flag Operations Liaison Organization,
19 located in Los Angeles, California. Cross-Complainant is
20 informed and believes that said Suppressive Person Declare
21 Gerry Armstrong was widely distributed by agents/
22 representatives/employees of all Cross-Defendants, but that
23 specific knowledge of said distribution lies with Cross-
24 Defendants, each.

25 34. As a direct and proximate result of the
26 printing, publication and circulation of the "Suppressive
27 Person Declare Gerry Armstrong", Cross-Complainant has

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suffered loss of reputation, shame, mortification and hurt feelings in a sum which is presently unascertained and Cross-Complainant will ask leave of Court to amend this Cross-Complaint when same has been ascertained.

35. The above-described publication was printed, published and circulated by Cross-Defendants, each, because of their feelings of hatred and ill-will toward Cross-Complainant and with a desire to oppress Cross-Complainant and thus the awarding of exemplary and punitive damages in the amount of Fifteen Million (\$15,000,000.00) Dollars is justified.

FOURTH CAUSE OF ACTION

(For Breach of Contract Against

Cross-Defendants SCIENTOLOGY and HUBBARD)

36. Cross-Complainant repeats and realleges Paragraphs 1 through 21 as though fully set forth herein and further alleges:

37. In or about 1971 Cross-Defendants, each, entered into an oral contract with Cross-Complainant, wherein Cross-Defendants, each, and their agents/representatives/employees, including Graham Leese, Kingsley Wimbush, Helen Pollen, Dorothy Knight, Jan Norton, and Anne Tasket, promised Cross-Complainant through oral representations that if Cross-Complainant joined Scientology and took and paid for various courses and auditing, the following benefits were scientifically guaranteed:

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- (a) A cure of health problems and disease;
- (b) Higher I.Q.;
- (c) Family unity and preservation of marriage;
- (d) Improvement of eyesight;
- (e) A cure of all neuroses, mental and physical problems;
- (f) Improvement of career opportunity.

38. To further induce Cross-Complainant into entering an agreement with Cross-Defendants, each, it was promised and represented to Cross-Complainant that:

(a) Cross-Defendant SCIENTOLOGY is an educational, scientific, non-profit organization, abiding by the laws of the United States governing non-profit organizations, dedicated to the well-being of mankind and engaged in lawful, educational and scientific research, study and practices;

(b) Cross-Defendant HUBBARD was a nuclear physicist and a medical doctor with degrees from George Washington University and Princeton University; that Cross-Defendant HUBBARD was a war hero, severely wounded after serving four years in actual combat in the South Pacific from 1941 through 1944; and that Cross-Defendant HUBBARD cured himself through auditing while spending one year in a military hospital for wounds including blindness from an exploding shell received in combat.

(c) That "auditing" was completely confidential.

39. Although Cross-Defendants, each, initially made said representations in or about 1971, the same

///

1 representations were continuously repeated to Cross-
2 Complainant from 1971 through December, 1981, in an effort to
3 induce cross-complainant to remain in Scientology, to work
4 for Cross-Defendants, each, for little or no pay, and to take
5 more and more courses and auditing for money to achieve the
6 "scientifically guaranteed" benefits promised.

7 40. At all times with respect to said continuing
8 oral contract, Cross-Defendants, each, promised and
9 represented to Cross-Complainant that Cross-Defendants, each,
10 fully intended to fulfill the terms of said contract and
11 provide Cross-Complainant with the aforementioned
12 scientifically guaranteed benefits.

13 41. At all times with respect to said continuing
14 contract, and during the eleven years Cross-Complainant was
15 in Scientology, Cross-Complainant reasonably believed the
16 aforementioned representations made by Cross-Defendants,
17 each, and in reliance thereon performed all of the terms and
18 conditions on his part to be performed in that Cross-
19 Complainant:

20 (a) Invested eleven years of his life laboring an
21 average of 80 hours per week for Cross-Defendants,
22 each, without just compensation;

23 (b) Forfeited formal education;

24 (c) Made personal disclosures about
25 Cross-Complainant's life during intensive
26 "auditing" sessions, which Cross-Complainant was
27 promised would remain confidential and which
28

1 Cross-Defendants, each, thereafter disclosed to
2 third persons;

3 (d) Underwent courses and "auditing" for which
4 Cross-Complainant paid money to Cross-Defendants,
5 each, in a sum presently unascertained, but
6 Cross-Complainant will ask leave of Court to amend
7 this Cross-Complaint when the same has been
8 ascertained;

9 (e) Strictly adhered to all of the representations
10 and requirements of Cross-Defendants, each, in
11 order to obtain the scientifically guaranteed
12 benefits.

13 42. Cross-Defendants, each, breached said contract
14 in that Cross-Defendants, each, have retained the monies paid
15 by Cross-Complainant, have failed to provide any of the
16 aforementioned scientifically guaranteed benefits to
17 Cross-Complainant, have breached all confidences regarding
18 Cross-Complainant's auditing, and have further engaged in
19 intimidating and harassive tactics against Cross-Complainant.

20 43. As a direct and proximate result of Cross-
21 Defendants', each, breach of contract, Cross-Complainant has
22 sustained damage in a sum which is presently unascertained,
23 but Cross-Complainant will ask leave of Court to amend this
24 Cross-Complaint when the same has been ascertained.

25 ///

26 ///

27 ///

28 ///

A 214
FIFTH CAUSE OF ACTION

(Tortious Interference With Contract Against
Cross-Defendants SCIENTOLOGY, SCIENTOLOGY
INTERNATIONAL and RTC)

44. Cross-Complainant repeats and realleges paragraphs 1 through 21 as though fully set forth herein and further alleges:

45. In or about January of 1980, at Los Angeles, California, Cross-Complainant, and Cross-Defendant HUBBARD entered into a written contract whereby Cross-Complainant agreed to assemble information and documentation, as well as do research for a biography to be written about Cross-Defendant HUBBARD. On or about January 8, 1980, Cross-Complainant forwarded a Petition to Cross-Defendant HUBBARD to approve Cross-Complainant as a "Biography Researcher" for a project which ultimately involved the completion of a biography of Cross-Defendant HUBBARD. A copy of said Petition is attached hereto as Exhibit "B". Thereafter, in January of 1980, Cross-Defendant HUBBARD wrote to Cross-Complainant and stated in substance that the Petition was approved and that Cross-Defendant HUBBARD was pleased Cross-Complainant had located old records thought to be stolen in 1953. Cross-Complainant is informed and believes that the document approving the Petition is in the possession of Cross-Defendant SCIENTOLOGY.

46. From 1980 until April of 1982, a period of about 30 months, Cross-Complainant performed his portion of

///

the contract by collecting and collating materials and documentation about Cross-Defendant HUBBARD and providing the same to the biographer, Omar V. Garrison; by interviewing persons with biographical knowledge of Cross-Defendant HUBBARD; by collecting manuscripts and other writings of Cross-Defendant HUBBARD, among other things, for which Cross-Complainant was paid. Cross-Complainant would have continued to perform the aforementioned duties, but was prevented from doing so by Cross-Defendants', each, interference and acts hereinafter alleged.

47. At all times herein mentioned, Cross-Defendants, each, had knowledge of the contract between Cross-Complainant and Cross-Defendant HUBBARD and of Cross-Complainant's position of Archivist. In spite of such knowledge and with malicious intent to induce Cross-Defendant HUBBARD to terminate such contract without just cause, Cross-Defendants, each, declared Cross-Complainant a "Suppressive Person" and charged Cross-Complainant with various crimes including, but not limited to, "theft", "illegally taking or possessing Church property" and "promulgating false information about the Church, its Founder and members" (see Exhibit "A" attached hereto). Cross-Defendants, each, further induced HUBBARD upon the false grounds set forth in the Suppressive Person Declare, to breach the contract with Cross-Complainant and to dissafirm and deny to Cross-Complainant all of his rights and interest as Biography Researcher, all for the purpose of depriving

///

Cross-Complainant of his rights under the contract and preventing Cross-Complainant from fulfilling the contract and receiving compensation therefore.

48. As a proximate result of such inducement by Cross-Defendants, each, Cross-Defendant HUBBARD breached the contract with Cross-Complainant without just cause preventing Cross-Complainant from completing the terms of the contract and from collecting any compensation from Defendant HUBBARD under said contract.

49. As a direct and proximate result of Cross-Defendants', each, tortious interference with the contract, Cross-Complainant sustained damage in a sum which is presently unascertained, but Cross-Complainant will ask leave of Court to amend this Cross-Complaint when the same has been ascertained.

50. In doing the acts herein alleged, Cross-Defendants, each, acted with oppression, fraud and malice, and Cross-Complainant is entitled to punitive damages in the sum of Fifteen Million (\$15,000,000.00) Dollars.

WHEREFORE, Cross-Complainant prays for judgment against Cross-Defendants, each, as follows:

FIRST CAUSE OF ACTION

1. General damages according to proof;
2. Punitive damages in the sum of Fifteen Million (\$15,000,000.00) Dollars;

SECOND CAUSE OF ACTION

3. General damages according to proof;

///

4. Punitive damages in the sum of Fifteen Million
(\$15,000,000.00) Dollars;

THIRD CAUSE OF ACTION

5. General damages according to proof;

6. Punitive damages in the sum of Fifteen Million
(\$15,000,000.00) Dollars;

FOURTH CAUSE OF ACTION

7. Compensatory damages according to proof with
interest thereon;

FIFTH CAUSE OF ACTION

8. Compensatory damages according to proof with
interest thereon;

9. Punitive damages in the sum of Fifteen Million
(\$15,000,000.00) Dollars;

ALL CAUSES OF ACTION

10. For costs of suit incurred herein; and

11. For such other and further relief as this
Court may deem just and proper.

DATED: June 30, 1983

CONTOS & BUNCH

By: _____

BRUCE M. BUNCH
Attorneys for Defendant and
Cross-Complainant
GERALD ARMSTRONG

FLAG CONDITIONS ORDER 6664R

18 February 1982
Revised 22.4.82

SUPPRESSIVE PERSON DECLARE

GERRY ARMSTRONG

GERRY ARMSTRONG, now of Costa Mesa, California, is hereby DECLARED
A SUPPRESSIVE PERSON according to HCO PL 7 Dec 76 LEAVING AND LEAVES:

"Where a person is secretly planning to leave and making private preparations to do so without informing the proper terminals in an org and does leave (blow) and does not return within a reasonable length of time an automatic Declare is to be issued."

Gerry took an unauthorized leave in December 1981 and has refused to return and route out properly although he has been contacted and repeatedly requested to do so.

Since Gerry was declared on 18 Feb 1982, reports have been made that also bring the following charges against him for Crimes and High Crimes and Suppressive Acts against the Church:

1. THEFT.
2. ILLEGALLY TAKING OR POSSESSING CHURCH PROPERTY.
3. RESELLING ORG MATERIEL FOR PRIVATE GAIN.
4. IMPERSONATING A SCIENTOLOGIST OR STAFF MEMBER WHEN NOT AUTHORIZED.
5. FALSIFYING REPORTS.
6. MAKING OUT OR SUBMITTING OR ACCEPTING FALSE PURCHASE ORDERS.
7. JUGGLING ACCOUNTS.
8. OBTAINING LOANS OR MONEY UNDER FALSE PRETENSES.
9. ISSUING THE DATA OR INFORMATION OR INSTRUCTIONAL OR ADMINISTRATIVE PROCEDURES WITHOUT CREDIT OR FALSELY ASSIGNING CREDIT FOR THEM TO ANOTHER.
10. ENGAGING IN MALICIOUS RUMOUR-MONGERING TO DESTROY THE AUTHORITY OR REPUTE OF HIGHER OFFICERS OR THE LEADING NAMES OF SCIENTOLOGY OR TO "SAFEGUARD" A POSITION.
11. SEEKING TO SPLINTER OFF AN AREA OF SCIENTOLOGY AND DENY IT PROPERLY CONSTITUTED AUTHORITY FOR PERSONAL PROFIT, PERSONAL POWER OR "TO SAVE THE ORGANIZATION FROM THE HIGHER OFFICERS OF SCIENTOLOGY."
12. PRONOUNCING SCIENTOLOGISTS GUILTY OF THE PRACTICE OF STANDARD SCIENTOLOGY.
13. WILLFUL LOSS OR DESTRUCTION OF CHURCH PROPERTY.
14. HOLDING SCIENTOLOGY MATERIALS OR POLICIES UP TO RIDICULE, CONTEMPT OR SCORN.
15. SPREADING DESTRUCTIVE RUMOURS ABOUT SENIOR SCIENTOLOGISTS.
16. PRETENDING TO EXPRESS A MULTIPLE OPINION (USE OF "EVERYBODY") IN VITAL REPORTS.
17. BEING A KNOWING ACCESSORY TO A SUPPRESSIVE ACT.
18. FAILURE TO HANDLE OR DISAVOW AND DISCONNECT FROM A PERSON DEMONSTRABLY GUILTY OF SUPPRESSIVE ACTS.

Since Gerry Armstrong left the Church, he has falsely represented himself to others and said he was on a "secret mission." Representing himself then as a staff member, he then misrepresented the actions of the Church and its members to others. Gerry has chronically misrepresented himself and others.

EXHIBIT A

He has spoken out for LSD and LSD-proponent Timothy Leary knowing full well that such illicit drugs are strictly prohibited by the Church and that Church Founder L. Ron Hubbard has written against their usage and promotion due to their destructive nature. Knowing that LRH also has researched and written how to combat the effects of these illicit drugs, Gerry Armstrong has degraded LRH's research and prefers to promote the research of Timothy Leary.

Gerry has taken and sought to sell Church property. He has also failed to return Church property he obtained. He also falsified his Church financial records by failing to state the nature of the intended purchases and failing to spend the money for the approved items. Records by him show purchases for personal items as well as covering the expenses of non-Church companies.

Gerry was also found to be promulgating false information about the Church, its Founder and members. He used his position to create and transmit erroneous information under the guise of "documentation." Altered documents have been found in his area.

Should Gerry Armstrong come to his senses and wish to recant, he should apply steps A-E of HCO PL 16 May 80 III ETHICS, SUPPRESSIVE ACTS, SUPPRESSION OF SCIENTOLOGY AND SCIENTOLOGISTS. Should he fail to apply these steps he will be expelled from the Church and be debarred. Should he claim the label or the charges to be false, he may request a Committee of Evidence per the above referenced policy.

His only terminal is the Continental Justice Chief PAC.

PO1 Paul Laquerre
Int Justice Chief

Authorized by AVC

for the

CHURCH OF SCIENTOLOGY
INTERNATIONAL

R

8 Jan 1980

K on D

A 220

Gerry Armstrong

cc: CO HU
DCO HU
cc: DCO CMO SU
cc: Snr P PRO
cc: HAS Pers Office

PETITION

Dear Sir,

I am petitioning you to be posted to handle research for your biography and related projects.

I feel it warrants a petition to you because it entails research on your personal time track and the person doing such would have to have your trust.

I wish to do this for the following reasons:

1. The future of this planet depends on Scientology. The success of Scientology at this time will depend in no small measure on the success of various of R's personal undertakings; the Purification R/D and Nobel Prize pjt, the R Biography and press/legal handlings to mention the few I know about.

These projects currently have no one researching, data gathering and collating for them.

2. The finalization of any one of these projects will greatly alleviate current threats to R. His free movement could become possible and his actions, projects and ideas in other spheres will become more accepted.

3. R val docs and writings will be preserved - this will be a great part of the post.

Currently this is not being done adequately. Just 3 days ago I came across a box of very old papers in Del Sol which were unknown to the PPROS and others here. These included R writings from the 30's and 40's, R grade school English class essays and poems, an R diary from the trip to Asia and many other docs.

These writings are of immeasurable value to an R Biography, future museum and to the billions of Scientologists this planet will see.

Also in Del Sol I found some docs from R's Navy period which will now be used in press legal actions. Document research is a must for success in this legal battle.

I'm sure there are many more such val docs, writings and data around the planet to be found, preserved and used to enhance R's image and viability.

EXHIBIT B

A 221

The papers I have just found have been copied as an insurance against their loss and the originals have been put into zip-lock bags and wrapped in plastic.

4. A documented, published biography could become the basis for an R Life film (major production). This will likely be the ultimate step toward universal acceptance of R and his products. Any personnel added to handle these areas at this time will greatly shorten the time to such a production.

5. I believe I have the qualifications to do this job:

I have 9 years of SO track during which I worked with R on the ship, at UCE and WHQ.

I have a decent this lifetime training in PH, legal and Intel. areas in which I worked on the ship between 1971 and 1975. I would not do anything stupid on any line which would damage R or Scientology.

I'm literate. My written English is grammatically adequate. I have little background in creative writing, however this would not be necessary because the biography would be handled by a proven author such as Garrison.

I have had fabulous personal gains and successes from LRH Tech.

6. I do not feel my current post of R Renos I/C and the present functions I'm performing are as vital at this time as those I'm requesting to do. My post is in a condition where it can easily be turned over. There are no immediate demands for R living or office spaces at S.

I have worked in R Renos for a year and have been the I/C for the last 6 months. It has been a relatively flapless period and there have been a number of accomplishments.

I am considerably more trained and gifted in the area of research than I am in building construction.

I know my seniors, the CC HU and D/CO HU, with whom I've worked very well all this time, would not object to my leaving the area to do this function which is so important to R's success.

7. This is something I want very much to do. (It is the first post in the SO I've ever asked for).

I first recognized its need back in 1973 on the ship when I did a project for Mary Sue of time-tracking the Apollo's movements from purchase to that date. I had a hell of a time. Nobody was recording a Ship's History and the CM logs and Nav logs were lost or in terrible shape.

EXHIBIT B

A 222

Recent events and the discovery of the old R writings have made the collecting up of R's docs and writings and the Scientology and Sea Org histories and their preservation and their use in the production of a biography and other projects a vital, vital task.

This is the way I can best serve you.

I'm requesting your approval on creating this post. Likely it would be in the Pers PRU area and be entitled something like "Biography Researcher".

Duties would include:

- collecting up all R val docs from around the world (except those actually needed in a specific location)
- seeing to their proper preservation including vault safe against fire and sabotage
- collecting up all R manuscripts and R writings of any kind possible
- surveying for and gathering up personal contact accounts for legal, PR and biographical/anecdotal use
- interviewing people for the same
- sifting through R lectures and writings for usable incidents and contacts
- liaison with the Biographer for documentation and data
- line to R for verification of data and approvals
- false report correction actions

I'm sure there are more and even these are a large undertaking.

Sir, may I have your permission to do the above?

This is okay.

Much love,

Gerry

CK _____

R Not CK _____

EXHIBIT B

A 223

1 Likewise, and again without waiving any applicable privileges,
2 Mr. Armstrong's attorneys did not give me any documents, nor
3 provide me with any documents to review.

4 Executed at Los Angeles, California, on July 7, 1983.

5 I declare under penalty of perjury that the foregoing
6 is true and correct.

7
8 
9 Robert Lindsey
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A 224
PROOF OF SERVICE BY MAIL - 1013a, 2015.5 C.C.P.

Laura Rocha declares as
follows:

I am employed in the County of Los Angeles, State of California; I am over the age of eighteen years and am not a party to this action; my business address is 333 South Grand Avenue, Los Angeles, California 90071, in said County and State; on the 7th day of July, 1983, I served the within:

SUPPLEMENTAL DECLARATION OF ROBERT LINDSEY

on the

interested parties

in this action, by placing a true copy thereof in a sealed envelope addressed to their attorney s of record, addressed as follows:

Law offices of
HOWARD J. STECHEL
6255 Sunset Boulevard
Suite 2000
Los Angeles, CA 90028

TRABISH & PETERSON
John G. Peterson, Esq.
4676 Admiralty Way
Suite 902
Marina Del Rey, CA 90291

and by then sealing said envelope and depositing the same, with postage thereon fully prepaid, in the mail at Los Angeles, California; that there is a regular communication between the place of mailing and the place so addressed.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on this 7th day of July, 1983, at Los Angeles, California.

Declarant

VERIFICATION BY PARTY (466, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

A 225

I am the

in the above entitled action or proceeding; I have read the foregoing

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on (date) at (place), California

Signature

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

5855 Topanga Canyon Boulevard, Suite 400, Woodland Hills, CA 91367

On July 1, 1983, I served the within THIRD AMENDED

CROSS-COMPLAINT FOR DAMAGES

on the interested parties
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail
at Woodland Hills, California
addressed as follows:

HOWARD J. STECHEL, ESQ.
6255 Sunset Boulevard
Suite 2000
Los Angeles, CA 90028

John G. Peterson, Esq.
TRABISH & PETERSON
4676 Admiralty Way
Suite 902
Marina del Rey, CA 90291

BARRETT S. LITT, ESQ.
617 South Olive Street
Suite 1000
Los Angeles, CA 90014

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on July 1, 1983 at Woodland Hills, California

Signature

Dense Schwel

A 226
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

139
DEPT. 83

June 8, 1983

FILE Lawrence Waddington

JUDGE

D. Fields

DEPUTY CLERK

FILE

JUDGE PRO TEM

Deputy Sheriff

None

Reporter

(Parties and counsel checked if present)

C 420 153

Counsel for Plaintiff

Howard J. Stechel

Church of Scientology of California, etc.

Counsel for Defendant

vs

Gerald Armstrong

NATURE OF PROCEEDINGS.

COURT'S RULING ON SUBMITTED MATTER

Demurrer of cross-defendant Church of Scientology of California, to second amended cross-complaint of Gerald Armstrong

Motion of plaintiff and cross-defendant, for order severing complaint from cross-complaint for purpose of trial

Motion of non-parties Robert Lindsey and the New York Times, to quash subpoena

or

in the alternative, for protective order

These matters having been taken under submission on June 1, 1983, the Court now makes the following order:

1) Due to clerical error, the minute order of June 1, 1983 from this department does not reflect that the motion of non parties Robert Lindsey and the New York Times was taken off calendar at request of the moving party. Said motion is placed off calendar nunc pro tunc as of that date.

2) Demurrer: Although the moving papers assert that religious institutions are immune from judicial scrutiny of their beliefs, the amended cross-complaint posits the Church of Scientology as an entirely secular and scientific institution. A demurrer assumes the truth of the allegations in the complaint. (continued on page 2)

☐ IT IS STIPULATED that Commissioner may hear this matter as Judge Pro Tem.

☐ TRANSFERRED TO/FROM DEPARTMENT

☐ Court disqualifies itself

☐ 170.6 CCP affidavit filed

☐ OFF CALENDAR

☐ On court's own motion

☐ No Appearance

☐ At request of moving party

☐ By stipulation

☐ CONTINUED TO

IN DEPT.

AT

AM
PM

☐ On court's own motion

☐ Stip. to be filed

☐ Or oral/written stipulation.

☐ REQUEST OF

☐ Moving party

☐ Respondent(s)

☐ TRO to remain in full force and effect

☐ TRO dissolved

☐ NOTICE:

☐ Waived

☐ By moving party

☐ By respondent(s)

☐ PETITIONER(S) IS/ARE SWORN AND TESTIFIES/TESTIFY

☐ PETITION IS GRANTED (AS AMENDED)

☐ DECREE IS SIGNED AND FILED.

(Page 1 of 3 pages)

MINUTES ENTERED

June 8, 1983
COUNTY CLERK

37 DEPT. 83

A 227
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

DEPT. 83

June 8, 1983

Lawrence Waddington

JUDGE

D. Fields

DEPUTY CLERK

JUDGE PRO TEM

Deputy Sheriff

None

Reporter

(Parties and counsel checked if present)

0 420 153

Counsel for
Plaintiff

Church of Scientology of
California, etc.

Counsel for
Defendant

vs

Gerald Armstrong, et al

Attorney for intervenor
Barrett S. Litt

NATURE OF PROCEEDINGS.

COURT'S RULING ON SUBMITTED MATTER

Motion by intervenor Mary Sue Hubbard in the motion by plaintiff Church of Scientology of California, for order severing complaint from cross-complaint for purpose of trial

This matter having been taken under submission on June 1, 1983, the Court now makes the following order:

Demurrer: (continued from page 1)
Whether the principles of Scien-

tology are founded upon religious or secular convictions must await summary judgment or trial. The Court notes that the cross-complaint does not allege the fraudulent sale of a product (such as the E-noter referred to in the cited cases); rather the Church allegedly received the services of the cross-complainant as a consequence of of misrepresentation. The Court sees no need for the extensive summary of alleged misconduct by the plaintiff. The pleadings should be re-drafted to sever the history of the Church from the allegations of misconduct toward the cross-complainant. - On the court's own motion, pleadings are stricken as to the first cause of action - 20 days to amend. As to the second cause of action (intentional infliction of emotional distress) - **OVERRULED**; Facts alleged are sufficient. As to third cause of action (libel) - **OVERRULED**; Facts sufficient to establish non-privileged publication. Moreover, much of this information, if it exists, is in the possession of cross-defendants. (continued on page 3)

☐ IT IS STIPULATED that Commissioner may hear this matter as Judge Pro Tem.

☐ TRANSFERRED TO/FROM DEPARTMENT

☐ Court disqualifies itself

☐ 170.6 CCP affidavit filed

☐ OFF CALENDAR

☐ On court's own motion

☐ No Appearance

☐ At request of moving party

☐ By stipulation

☐ CONTINUED TO

IN DEPT.

AT

AM
PM

☐ On court's own motion

☐ Stip. to be filed

☐ On oral/written stipulation.

☐ REQUEST OF

☐ Moving party

☐ Respondent(s)

☐ TRO to remain in full force and effect

☐ TRO dissolved

☐ NOTICE:

☐ Waived

☐ By moving party

☐ By respondent(s)

☐ PETITIONER(S) IS/ARE SWORN AND TESTIFIES/TESTIFY

☐ PETITION IS GRANTED (AS AMENDED)

☐ DECREE IS SIGNED AND FILED.

(Page 2 of 3 pages)

MINUTES ENTERED

6/8/83

COUNTY CLERK

37A

DEPT. 83

June 8, 1983

HONORABLE

Lawrence Waddington

JUDGE

D. Fields

DEPUTY CLERK

HONORABLE

JUDGE PRO TEM

Deputy Sheriff

None

Reporter

(Parties and counsel checked if present)

C 420 153

Counsel for
PlaintiffChurch of Scientology of
California, etc.Counsel for
Defendant

VS

Gerald Armstrong, et al

NATURE OF PROCEEDINGS.

COURT'S RULING ON SUBMITTED MATTERS

Demurrer: (continued from page 2)

As to the fourth cause of action (oral contract) - SUSTAINED WITH
LEAVE TO AMEND: Re-plead to overcome Statute of Limitations.
As to fifth cause of action (interference with contractual relations).
SUSTAINED WITH LEAVE TO AMEND: There is no allegation that the
contract was actually breached by Hubbard nor that the alleged
interference was the proximate cause of the breach.

20 days to amend.

- 3) Motion of plaintiff and of intervenor to sever complaint from
cross-complaint: GRANTED. Although there is some over-lap
with the issues, resolution of the conversion issue may expedite
the remaining issues.

A copy of this minute order is mailed to counsel for the plaintiff
and cross-defendant (Howard J. Stechel), who is directed to give
notice of this ruling.

☐ IT IS STIPULATED that Commissioner may hear this matter as Judge Pro Tem.

☐ TRANSFERRED TO/FROM DEPARTMENT

☐ Court disqualifies itself

☐ 170.6 CCP affidavit filed

☐ OFF CALENDAR

☐ On court's own motion

☐ No Appearance

☐ At request of moving party

☐ By stipulation

☐ CONTINUED TO

IN DEPT.

AT

AM
PM

☐ On court's own motion

☐ Stip. to be filed

☐ On oral/written stipulation.

☐ REQUEST OF

☐ Moving party

☐ Respondent(s)

☐ TRO to remain in full force and effect

☐ TRO dissolved

☐ NOTICE:

☐ Waived

☐ By moving party

☐ By respondent(s)

☐ DEPOSITIONER(S) IS/ARE SWORN AND TESTIFIES/TESTIFY

☐ DEPOSITION IS GRANTED (AS AMENDED)

☐ DECREE IS SIGNED AND FILED.

(Page 3 of 3 pages)

MINUTES ENTERED

6/8/83

COUNTY CLERK

37B DEPT. 83

1 BARRETT S. LITT
The Law Offices of
2 LITT & STORMER
3550 Wilshire Boulevard
3 Suite 1200
Los Angeles, California 90010
4 (213) 386-4303

FILED: 4/16/84

5 Attorneys for Plaintiff and Intervenor

6
7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES
10

11 CHURCH OF SCIENTOLOGY	)	Case No.: 420153
OF CALIFORNIA)	
12	)	REQUEST TO COURT TO
Plaintiff,	)	TAKE JUDICIAL NOTICE
13	)	OR TO HOLD EVIDENTIARY
vs.	)	HEARING THAT SCIENTOLOGY
14	)	IS A RELIGION
GERALD ARMSTRONG,)	
15)	
Defendant,)	
16)	
MARY SUE HUBBARD,)	
17)	
Intervenor.)	
18)	

19
20 Plaintiff hereby requests that this court take judicial
21 notice of the fact that Scientology is a religion and the Church
22 of Scientology of California is a religious organization.
23 For the court's convenience, attached are opinions which have
24 so found.

25 In the alternative, the court must hold an evidentiary
26 hearing on this question and resolve it pre-trial. See plaintiff's

27 / /

28 / /

A 230

1 Combined Reply Memorandum to Opposition to Motion in Limine,
2 Argument II E, and cases cited therein.

3 Dated: April 16, 1984,

4 Respectfully submitted

5 Law Offices of
6 LITT & STORMER

7
8 By: BARRETT S. LITT
9 Attorneys for Plaintiff
10 and Intervenor
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15 Mar

A 231

The Law Offices of Barrett S. Litt
617 South Olive Street, Suite 1000
Los Angeles, California 90014
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Attorneys for Plaintiff and Intervenor

FILED: 3/19/84

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY)
OF CALIFORNIA,)

Plaintiff,)

GERALD ARMSTRONG,)

Defendant.)

MARY SUE HUBBARD,)

Intervenor.)

No. C420153

MOTION IN LIMINE LIMITING THE
SUBJECT MATTER OF ADMISSIBLE
EVIDENCE AND THE TESTIMONY OF
VARIOUS WITNESSES.

Plaintiff and intervenor hereby move this court, in
limine, before the jury selection or the trial's commencement,
for an order instructing (a) defendant Gerald Armstrong and his
counsel and (b) through them, each and every one of their wit-
nesses, not to refer to, interrogate any witness concerning,
comment on, mention, or in any other manner convey to the trier
of fact the following:

1. Shredding, destruction or "vetting" of documents
allegedly carried out by members of the Church of Scien-
tology.

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1 2. The claim that Intervenor Mary Sue Hubbard and L. Ron
2 Hubbard are not legally married.

3 3. The fact that defendant Armstrong has filed a cross-
4 complaint against the Church of Scientology of California
5 and other parties.

6 4. Any alleged misrepresentations or fraudulent
7 practices committed by L. Ron Hubbard, Mary Sue Hubbard or
8 the Church of Scientology of California, or any Scien-
9 tology organizations, or any individuals acting on behalf
10 of any such organization.

11 5. Alleged criminal or tortious activities by L. Ron
12 Hubbard, Mary Sue Hubbard, Scientologists, the Guardian's
13 Office, or any Scientology organization.

14 6. Alleged tortious or illegal activities by the Church
15 of Scientology or the Hubbards against individuals viewed
16 as enemies of Scientology.

17 7. An incident which took place April 22, 1982,
18 regarding a dispute over photographs between Gerald
19 Armstrong and certain Scientology staff members.

20 8. The "Fair Game Doctrine."

21 9. "Suppressive Person Declare" or "Declare" either in
22 relation to Gerald Armstrong or in general.

23 10. The use of "Black Propoganda."

24 11. Alleged control by L. Ron Hubbard of Scientology
25 organizations and finances.

26 12. Biographical information concerning the history or
27 background of L. Ron Hubbard, Mary Sue Hubbard, or the
28

religious movement of Scientology.

13. References to the Mission Corporate Category Sort-Out, or the activities or conversations associated therewith.

14. Use of hearsay articles, reports and/or memoranda containing critical statements concerning the Church of Scientology, the religious movement of Scientology, L. Ron Hubbard or Mary Sue Hubbard.

In addition, plaintiffs move to require that the defendant make an offer of proof with respect to the subject matter of the testimony of each witness he intends to call at trial, prior to the time that trial begins, in order to permit a determination of whether any such witnesses' testimony relates to any of the above issues and must be precluded, and whether it pertains to other inadmissible subjects. In support of this request, plaintiffs submit:

1. This case is a narrow case pertaining to the claims that Mr. Armstrong wrongfully obtained and disseminated private, personal and confidential documents and their contents, which belonged to Mrs. Hubbard and her husband and to the Church.

2. Defendant has listed forty-six witnesses on his witness list.

3. Of the witnesses listed on defendant's witness list, less than half have any personal knowledge of any facts relevant to any legitimate defense in this case. Even with respect to those witnesses who have such pertinent knowledge, plaintiffs reasonably fear that the subject

1 matter of the testimony which defendant seeks to elicit
2 from them is in whole or in part inadmissible, irrelevant
3 and prejudicial testimony. This is demonstrated by the
4 fact that defendant has listed wholesale categories of
5 exhibits which are irrelevant, inflammatory, prejudicial
6 and violative of plaintiffs' constitutionally protected
7 privacy and religious rights. It is further demonstrated
8 by the fact that plaintiffs have personal knowledge that
9 many of the witnesses listed are listed solely or in part
10 for the purpose of introducing such improper testimony
11 since they have no -- or in some cases only limited --
12 knowledge of the pertinent facts in this case. It is fur-
13 ther demonstrated by the fact that large numbers of the
14 witnesses listed by defendant have never been listed by
15 him in discovery as being persons who have knowledge of
16 any issues relevant to this case.

17 Plaintiffs further request that any witnesses who were not
18 revealed in discovery be precluded from testifying.^{1/}

19 Plaintiffs will supplement this request with a more parti-
20 cularized analysis of these issues when they have had an oppor-
21 tunity to analyze these matters in full. In this regard,
22 plaintiffs note that they have received defendant's list of
23

24 ^{1/} Plaintiffs will supplement this motion with a list of
25 witnesses whose identity should have been but were not revealed
26 to plaintiff in the course of discovery.
27
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1 exhibits and witness only at the end of the work day on March
2 14, 1984.

3 This motion is made on the grounds that the information
4 described above has been referred to by defendant in papers
5 submitted in this case; that counsel for plaintiff and inter-
6 venor are concerned that defendant will attempt to make refe-
7 rence to these matters; that these matters are irrelevant and
8 that any attempt to convey this information to the jury would
9 be highly improper and prejudicial to plaintiffs even if the
10 court were to sustain an objection and instruct the jury not to
11 consider such matters; that permitting the introduction of such
12 evidence would violate the constitutionally protected religious
13 rights of the parties, would improperly intrude into the inter-
14 nal affairs of a religious organization, would violate the con-
15 stitutionally protected privacy rights of the plaintiffs, would
16 violate privileges that the Church is entitled to assert, and
17 would turn this proceeding into a general trial of Scientology
18 and the Hubbards; and that to permit introduction of evidence
19 on these issues and of these witnesses will unnecessarily
20 prolong the trial.

21 This motion is made pursuant to this court's Civil Trial
22 Manual §132, Evidence Code §§350 and 352, where appropriate
23 Evidence Code §950 et seq., Article I, §§1 and 4 of the
24 California Constitution, and the First, Fourth and Fourteenth
25 Amendments to the United States Constitution. It is based on
26 the Memorandum of Points and Authorities which will subse-
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quently be submitted in support of this motion,^{2/} on the papers and records on file herein, and on such oral and documentary evidence as may be presented at the hearing on this motion.

DATED: March 19, 1984

Respectfully submitted,

Law Offices of
BARRETT S. LITT

By:

BARRETT S. LITT

Attorney for Plaintiff and
Intervenor

^{2/} The issues raised by the defendant's desire to introduce these wide ranging, irrelevant, constitutionally impermissible, and often privileged matters are of such wide scope that a Memorandum of Law of considerable length is needed. While plaintiffs had advance notice of the defendant's intention to introduce the documents held under seal by this court, and thus were able to prepare a full memorandum on that issue (see Motion in Limine re documents), they were not so clearly notified concerning these issues. Thus, the Memorandum is in preparation at the date set for exchange of motions in limine.

23J:ARMS:MT:LMN:2

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FILED: 3/19/84

Attorneys for Plaintiff and Intervenor

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	No. C420153
OF CALIFORNIA,)	
Plaintiff,	)	MOTION IN LIMINE REGARDING
	)	ADMISSION OF, AND TESTIMONY
GERALD ARMSTRONG, DOES	)	RELATING TO, DOCUMENTS
1 through 10, inclusive,	)	SEALED BY THIS COURT;
	)	MEMORANDUM OF POINTS AND
Defendants.	)	AUTHORITIES.
)	
MARY SUE HUBBARD,)	
)	
Intervenor.)	

Pursuant to §132 of this court's Civil Trial Manual, to Evidence Code §§350 and 352, to Article I, §1 and §4 of the California Constitution, and to the First, Fourth and Fourteenth Amendments of the United States Constitution, plaintiff and intervenor hereby move this court, in limine, for an order as follows:

(1) That the documents held under seal by the clerk of this court pursuant to the preliminary injunction entered

1 October 4, 1982, will be excluded from evidence in this
2 case.

3 (2) That defendant Armstrong and his counsel not refer
4 to, interrogate any witness concerning, or comment on the
5 contents of any of the documents, letters, diaries,
6 manuscripts, tapes, or any other materials held under seal
7 by the clerk of the court.

8 (3) That defendant Armstrong and his counsel so instruct
9 any witnesses they call to testify.

10 In the alternative, if the documents as a whole, or any parti-
11 cular documents, or their contents, are found admissible, the
12 following procedures will apply:

13 (1) Any such documents introduced in evidence shall be
14 maintained under seal, the contents disclosed only to
15 counsel, the parties and the jury, and used only for pur-
16 poses of this case.

17 (2) All testimony with respect to any such materials
18 shall take place only with the courtroom cleared and only
19 in the presence of the jury, counsel and the parties.

20 (3) The transcripts of any such testimony shall be main-
21 tained under seal, not disclosed to anyone except counsel,
22 the parties and the jury, and the use thereof limited to
23 this proceeding.

24 (4) No person or party shall disclose or make use of any
25 information obtained as a result of the documents held
26 under seal by the clerk of the court except for purposes
27 of this action.
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1 (5) Copies of any such documents provided to the parties
2 or their counsel shall not be copied or duplicated, and
3 shall be returned at the conclusion of the trial to the
4 clerk of the court, who shall destroy them.

5 (6) Notes or other writings concerning the contents of
6 such documents made by either party or their counsel shall
7 be turned in, at the conclusion of the trial, to the clerk
8 of the court, who shall destroy them.

9 (7) At the time of the entry of a judgment which has
10 become final, the clerk shall destroy those exhibits con-
11 stituting such documents which were introduced into evi-
12 dence.

13 This motion is made on the grounds that the contents of
14 the materials held under seal by the clerk of this court are
15 not relevant to the claims of plaintiff and intervenor nor to
16 the defenses of defendant Armstrong; that many of the documents
17 in question are highly personal and private and to admit any of
18 the documents into the record in the case would constitute an
19 invasion of personal and religious privacy and would compound
20 the harm of which this action complains; that the plaintiffs
21 will rely primarily upon the characterization of the general
22 nature of the materials admitted to by defendant Armstrong;
23 that a summary of the general nature of the documents is all
24 that is relevant and is proper procedure under Evidence Code
25 §1509; that any attempt to convey to the jury the information
26 contained in these documents would be highly improper and
27
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1 prejudicial to plaintiffs; and that admission of the documents
2 or their contents would entail undue consumption of time.

3 This motion is based on the Memorandum of Points and
4 Authorities accompanying this motion, on the papers and records
5 on file herein, and on such oral and documentary evidence as
6 may be presented at a hearing on this motion.

7
8 DATED: March 19, 1984

Respectfully submitted,

9 Law Offices of
10 BARRETT S. LITT

11 By:

BARRETT S. LITT

12 Attorney for Plaintiff and
13 Intervenor
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27 23J:ARMS:MT:LMN
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#216

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FILED: 6/11/84

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,)	NO. C 420153
)	
Plaintiff,	)	MOTION FOR ORDER
	)	SEALING DOCUMENTS
vs.	)	PENDING APPEAL;
	)	MEMORANDUM OF LAW
GERALD ARMSTRONG,)	
)	
Defendants.)	
)	
MARY SUE HUBBARD,)	
)	
Intervenor.)	

Plaintiff and Intervenor hereby move this court for an order placing under seal all documents admitted into evidence or marked for identification in this case which were among the materials returned to the custody of the court by Michael and Flynn and Contos and Bunch and which have, heretofore, been

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maintained under seal by the clerk of this court. This sealing order would remain in effect pending outcome of any appeal taken in the case.

This motion is based on the memorandum of law attached hereto and on the motions previously submitted in support of a sealing order.

DATED: June __, 1984

Respectfully submitted,

ROBERT N. HARRIS
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19 Attorneys for Intervenor

20 SUPERIOR COURT OF THE STATE OF CALIFORNIA

21 COUNTY OF LOS ANGELES

22 CHURCH OF SCIENTOLOGY OF	)	NO. C 420153
23 CALIFORNIA,)	
24 Plaintiff,	)	MEMORANDUM OF LAW
25 vs.	)	IN SUPPORT OF MOTION
26	)	FOR SEALING PENDING
27	)	APPEAL
28 GERALD ARMSTRONG,)	
29 Defendants.)	
30 MARY SUE HUBBARD,)	
31 Intervenor.)	
32)	

33 INTRODUCTION

34 During the trial herein the Court has permitted many
35 of the documents, which are the subject of this action and which
36 / /

1 have been maintained under seal, to be received into evidence
2 not under seal.

3 Plaintiffs anticipate that regardless of the outcome
4 of the case before this Court, there will be an appeal. The
5 purpose of the instant motion is to seek an order placing under
6 seal all previously sealed "archives" documents pending the
7 determination of the anticipated appeal.

8 Plaintiffs' basic argument on this motion is that
9 while the anticipated appeal is pending unless the documents
10 are under seal the privacy rights of Plaintiffs will be
11 violated. It is noteworthy that this will occur regardless of
12 the outcome of the appeal because once the public and/or the
13 press gain access to the documents, as will occur during the
14 pendency of the appeal, absent a sealing the harm from the
15 invasion of privacy cannot be "undone" by any subsequent
16 ruling. In other words, once the public or press gain access
17 to the documents, as a practical matter the "cat is out of the
18 bag" and no court can "unring the bell." (See Chief Justice
19 Burger's opinion in Maness v. Meyers, 419 U.S. 440, 463 (1975).
20

21 ARGUMENT
22

23 The California Courts have shown great deference to
24 privacy rights such as those involved in the instant case. In
25 the discovery context protective orders routinely issue to pro-
26 hibit invasions of privacy. Indeed, it has been recognized
27 that where personal information is relevant to the subject mat-
28

ter of a claim and is therefore produced through discovery, the party is, upon motion, presumptively entitled to a protective order that the information need be revealed only to counsel for the opposing party and that once so revealed the information may be used only for purposes of the lawsuit. See Richards v. Superior Court for Los Angeles County (1978) 86 Cal.App.3d 265.

In Willis v. Superior Court of Los Angeles County (1980) 112 Cal.App.3d 277, 297, the court reasserted the familiar proposition that:

"[T]here exist zones of privacy covering sensitive areas of personal information in which the scope of discovery may be diminished or qualified by a protective order fashioned to accommodate the competing values of the individual rights and privacy and...important state interests of facilitating the ascertainment of truth in legal proceedings."

The order sought in the instant case, in the context of an appeal, is akin to the protective orders which issue routinely in a discovery context. The similarity of the order sought herein to protective orders is particularly strong because in both contexts the ability of the litigants to conduct their case is not affected by the order, yet the privacy interests are protected.

The approach sought by Plaintiffs herein also is entirely consistent with the courts' protection of other kinds

of secret or private information. As a general matter in California, "the sittings of every court shall be public." Cal. Code of Civ. Proc., Sec. 124. The provisions of Section 124, however, have been held to be subordinate to "the higher right and duty of the court under the Constitution."

Kirstowsky v. Superior Court (1956) 143 Cal.App.2d 745, 753. Relying on Kirstowsky, the California Supreme Court has held that a trial court may "close portions of the trial to the public" when there is good cause based upon the protection of parties or upon the interests of justice. People v. Cash (1959) 52 Cal.2d 841, 846.

In camera proceedings also have been regarded as appropriate to protect the identity of informants in criminal trials. Indeed, Cal. Evidence Code, Section 1042(d) prescribes a procedure for hearings which seek the disclosure of the identity of an informant on the grounds that the informant is a material witness. The procedure specifically provides for in camera proceedings whenever the evidence adduced in the hearing itself would tend to reveal the informant's identity. See also People v. Kirkland (1980), 28 Cal.3d 376, 394 n.11 (in camera hearing convened to resolve invocation of informant-nondisclosure privilege).

It also has long been recognized, particularly in the criminal context, that where testimony involves confidential information, or highly embarrassing or sensitive issues, the public may be excluded from the courtroom. See, e.g., Richmond Newspapers, Inc. v. Virginia, 448 U.S. 555 (1980); Kirstowski v. Superior Court (1956) 143 Cal.App.2d 745.

1 Underlying all of these cases is the proposition that
2 the right to public access to evidence adduced in the course of
3 a lawsuit is not absolute. The interests of justice and
4 constitutional protections like the right of privacy outweigh
5 the statutory right to public trials. Whether the disclosure
6 be of private and personal information, or of trade secrets or
7 the identity of an informant, the availability of the courts
8 and the administration of justice requires and provides for the
9 evidence to be placed under seal.

10 The unique character of a disclosure of private or
11 secret information has been recognized in the variety of
12 sealing cases in a variety of situations. The United States
13 Supreme Court has held in Maness v. Meyers, 419 U.S. 440, 460-
14 463 (1975) that this unique character of a disclosure, when it
15 involves constitutionally-protected rights, requires an
16 appellate procedure that permits an appeal before the disclosu-
17 re. In Maness, the trial court had ordered that a witness in
18 civil trial must produce material even though the witness'
19 lawyer believed in good faith that the material might tend to
20 incriminate his client. Chief Justice Warren Burger
21 acknowledged the general rule that an order must be complied
22 with and then later challenged by an appeal, but held that this
23 approach must be altered where the order required a disclosure
24 of constitutionally-protected information. He stated as
25 follows:

26
27
28 "When a court during a trial orders a witness to
29 reveal information, however, a different situation

1 may be presented. Compliance could cause irreparable
2 injury because appellate courts cannot always "unring
3 the bell" once information has been released. Sub-
4 sequent appellate vindication does not necessarily
5 have its ordinary consequence of totally repairing
6 the error.

7 * * *

8 "Here . . . petitioner's client has not yet delivered
9 the subpoenaed material, and he consistently and vig-
10 orously asserted his privilege. Here, the 'cat' was
11 not yet 'out of the bag' and reliance upon a later
12 objection or motion to suppress would 'let the cat
13 out' with no assurance whatever of putting it back."
14 (Emphasis added.) 419 U.S. at 460, 463.

15
16 Plaintiffs already have had an experience where the
17 "cat was let out of the bag" and in that case it was impossible
18 to "unring the bell." In United States v. Hubbard, 650 F.2d
19 293 (D.C. Cir. 1981) the Circuit Court reversed an unsealing
20 order for documents obtained by the government in a search of
21 Church premises. In subsequent proceedings. Plaintiff Church
22 sought to have the copies of these documents, obtained by third
23 parties during the nine-months the documents had remained as
24 unsealed public records, returned to the Court. The Court of
25 Appeals ruled that it was impossible to undue the harm caused
26 by the temporary unsealing, stating as follows:
27
28

1 "Scientology fears that without additional protection
2 from this court, private persons who have obtained
3 copies of the documents while they were improperly
4 unsealed will be free to use them as they please
5 without judicial oversight of the kind involved in
6 the course of ordinary discovery procedures. The
7 additional protection sought is general, i.e.,
8 requiring return of all copies, enjoining their
9 future use, and making the sealing order effective
10 nunc pro tunc back to the time of the improper
11 unsealing. * * * [T]he general prohibition
12 Scientology seeks here however would apply to
13 unidentified non-litigants who acted in good faith in
14 obtaining the documents and whose actions would now
15 be governed by an order they had no meaningful
16 opportunity to contest. Any such general prohibition
17 would not only extend the court's mandate to
18 unknowable limits but would realistically be unen-
19 forceable as well." (Emphasis added.) 686 F.2d at
20 956-57 n.4.

21
22 The D.C. Circuit later considered another appeal of a
23 District Court order permitting a further disclosure of the
24 documents that had again been placed under seal. It is signi-
25 ficant that this time the Court of Appeals granted a request
26 for an emergency stay of these further disclosures pending the
27 appeal. 686 F.2d at 959. In short, the Court of Appeals was
28 well aware of the irreparable nature that any temporary unseal-

1 ing pending appeal would cause. It is respectfully suggested
2 that the same situation is before this Court on the instant
3 motion.

4 CONCLUSION

5
6 This Court has before it documents of a highly
7 personal and private nature. The Plaintiffs' request by way of
8 the instant motion seeks to preserve and protect the privacy
9 interest of Plaintiffs in those documents, but in no way would
10 impinge upon any legitimate interests of the Defendants. The
11 case law cited above shows the appropriateness of the sealing
12 order sought. It is respectfully suggested that under these
13 factual and legal circumstances, the instant motion should be
14 granted.
15

16 DATED: June __, 1984

Respectfully submitted,

17 ROBERT N. HARRIS
18 Attorney for Plaintiff

19 BARRETT S. LITT
20 LITT & STORMER
21 Attorney for Intervenor

22 By _____
23 BARRETT S. LITT
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20 June, 84
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FILED: 6/21/84

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Plaintiff,

vs.

GERALD ARMSTRONG,

Defendant.

MARY SUE HUBBARD,

Intervenor.

No. C 420153

MEMORANDUM OF
INTENDED DECISION

In this matter heretofore taken under submission, the Court announces its intended decision as follows:

As to the tort causes of action, plaintiff, and plaintiff in intervention are to take nothing, and defendant is entitled to Judgment and costs.

As to the equitable actions, the court finds that neither plaintiff has clean hands, and that at least as of this time, are not entitled to the immediate return of any document or objects presently retained by the court clerk. All exhibits

1 received in evidence or marked for identification, unless
2 specifically ordered sealed¹, are matters of public record and
3 shall be available for public inspection or use to the same
4 extent that any such exhibit would be available in any other
5 lawsuit. In other words they are to be treated henceforth no
6 differently than similar exhibits in other cases in Superior
7 Court. Furthermore, the "inventory list and description," of
8 materials turned over by Armstrong's attorneys to the court,
9 shall not be considered or deemed to be confidential, private,
10 or under seal.

11 All other documents or objects presently in the possession
12 of the clerk (not marked herein as court exhibits) shall be
13 retained by the clerk, subject to the same orders as are
14 presently in effect as to⁶ sealing and inspection, until such
15 time as trial court proceedings are concluded as to the severed
16 cross complaint. For the purposes of this Judgment, conclusion
17 will occur when any motion for a new trial has been denied, or
18 the time within such a motion must be brought has expired
19 without such a motion being made. At that time, all documents
20 neither received in evidence, nor marked for identification
21 only, shall be released by the clerk to plaintiff's
22 representatives. Notwithstanding this order, the parties may
23
24

25 1. Exhibits in evidence No. 500-40; JJJ; KKK; LLL; MMM;
26 NNN; OOO; PPP; QQQ; RRR; and 500-QQQQ.

27 Exhibits for identification only No. JJJJ; Series
28 500-DDDD, EEEE, FFFF, GGGG, HHHH, IIII, NNNN-1, OOOO, ZZZZ,
CCCCC, GGGGG, IIIII, KKKKK, LLLLL, OOOOO, PPPPP, QQQQQ, BBBBBB,
OOOOOO, BBBBBB.

at any time by written stipulation filed with the clerk obtain release of any or all such unused materials.

Defendant and his counsel are free to speak or communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. As to all documents, and other materials held under seal by the clerk, counsel and the defendant shall remain subject to the same injunctions as presently exist, at least until the conclusion of the proceedings on the cross complaint. However, in any other legal proceedings in which defense counsel, or any of them, is of record, such counsel shall have the right to discuss exhibits under seal, or their contents, if such is reasonably necessary and incidental to the proper representation of his or her client.

Further, if any court of competent jurisdiction orders defendant or his attorney to testify concerning the fact of any such exhibit, document, object, or its contents, such testimony shall be given, and no violation of this order will occur. Likewise, defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such document or materials, without violating any order of this court.

///

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This court will retain jurisdiction to enforce, modify, alter, or terminate any injunction included within the Judgment.

Counsel for defendant is ordered to prepare, serve, and file a Judgment on the Complaint and Complaint in Intervention, and Statement of Decision if timely and properly requested, consistent with the court's intended decision.

Discussion

The court has found the facts essentially as set forth in defendant's trial brief, which as modified, is attached as an appendix to this memorandum. In addition the court finds that while working for L.R. Hubbard (hereinafter referred to as LRH), the defendant also had an informal employer-employee relationship with plaintiff Church, but had permission and authority from plaintiffs and LRH to provide Omar Garrison with every document or object that was made available to Mr. Garrison, and further, had permission from Omar Garrison to take and deliver to his attorneys the documents and materials which were subsequently delivered to them and thenceforth into the custody of the County Clerk.

Plaintiff Church has made out a prima facie case of conversion (as bailee of the materials), breach of fiduciary duty, and breach of confidence (as the former employer who provided confidential materials to its then employee for certain specific purposes, which the employee later used for other purposes to plaintiff's detriment). Plaintiff Mary Jane Hubbard has likewise made out a prima facie case of conversion

and invasion of privacy (misuse by a person of private matters entrusted to him for certain specific purposes only).

While defendant has asserted various theories of defense, the basic thrust of his testimony is that he did what he did, because he believed that his life, physical and mental well being, as well as that of his wife were threatened because the organization was aware of what he knew about the life of LRH, the secret machinations and financial activities of the Church, and his dedication to the truth. He believed that the only way he could defend himself, physically as well as from harassing lawsuits, was to take from Omar Garrison those materials which would support and corroborate everything that he had been saying within the Church about LRH and the Church, or refute the allegations made against him in the April 22 Suppressive Person Declare. He believed that the only way he could be sure that the documents would remain secure for his future use was to send them to his attorneys, and that to protect himself, he had to go public so as to minimize the risk that LRH, the Church, or any of their agents would do him physical harm.

This conduct if reasonably believed in by defendant and engaged in by him in good faith, finds support as a defense to the plaintiff's charges in the Restatements of Agency, Torts, and case law.

Restatement of Agency, Second, provides:

"Section 395f: An agent is privileged to reveal information confidentially acquired by him in the course of his agency in the protection of a superior interest of himself or a third person.

"Section 418: An agent is privileged to protect interests of his own which are superior to those of the principal, even though he does so at the expense of the principal's interest or in disobedience to his orders."

Restatement of torts, Second, section 271:

"One is privileged to commit an act which would otherwise be a trespass to or a conversion of a chattel in the possession of another, for the purpose of defending himself or a third person against the other, under the same conditions which would afford a privilege to inflict harmful or offensive contact upon the other for the same purpose."

The Restatement of Torts, Second, section 652a, as well as case law, make it clear that not all invasions of privacy are unlawful or tortious. It is only when the invasion is unreasonable that it becomes actionable. Hence, the trier of fact must engage in a balancing test, weighing the nature and extent of the invasion, as against the purported justification therefore to determine whether in a given case, the particular invasion or intrusion was unreasonable.

In addition the defendant has asserted as a defense the principal involved in the case of Willig v. Gold, 75 Cal.App.2d, 809, 814, which holds that an agent has a right or privilege to disclose his principal's dishonest acts to the party prejudicially affected by them.

Plaintiff Church has asserted and obviously has certain rights arising out of the First Amendment. Thus, the court cannot, and has not, inquired into or attempted to evaluate the

merits, accuracy, or truthfulness of Scientology or any of its precepts as a religion. First Amendment rights, however, cannot be utilized by the Church or its members, as a sword to preclude the defendant, whom the Church is suing, from defending himself. Therefore, the actual practices of the Church or its members, as it relates to the reasonableness of the defendant's conduct and his state of mind are relevant, admissible, and have been considered by the court.

As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Howard Schomer to be credible, extremely persuasive, and the defense of privilege or justification established and corroborated by this evidence. Obviously, there are some discrepancies or variations in recollections, but these are the normal problems which arise from lapse of time, or from different people viewing matters or events from different perspectives. In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved with LRH, or Mary Jane Hubbard, or of the Scientology Organization, is on the one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH, and his ideas. Each has manifested a waste and loss or frustration which is incapable of description. Each has broken with the movement for a variety of reasons, but at the same time, each is, still bound by the knowledge that the Church has

in its possession his or her most inner thoughts and confessions, all recorded in "pre-clear (P.C.) folders" or other security files of the organization, and that the Church or its minions is fully capable of intimidation or other physical or psychological abuse if it suits their ends. The record is replete with evidence of such abuse.

In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded, "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract the maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect."² From the evidence presented to this court in 1984, at the very least, similar conclusions can be drawn. In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization clearly is schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH. The evidence portrays a man who has been virtually a pathological liar when it comes to his history,

background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile. At the same time it appears that he is charismatic and highly capable of motivating, organizing, controlling, manipulating, and inspiring his adherents. He has been referred to during the trial as a "genius," a "revered person," a man who was "viewed by his followers in awe." Obviously, he is and has been a very complex person, and that complexity is further reflected in his alter ego, the Church of Scientology. Notwithstanding protestations to the contrary, this court is satisfied that LRH runs the Church in all ways through the Sea Organization, his role of Commodore, and the Commodore's Messengers.³ He has, of course, chosen to go into "seclusion," but he maintains contact and control through the top messengers. Seclusion has its light and dark side too. It adds to his mystique, and yet shields him from accountability and subpoena or service of summons.

LRH's wife, Mary Sue Hubbard is also a plaintiff herein. On the one hand she certainly appeared to be a pathetic individual. She was forced from her post as Controller, convicted and imprisoned as a felon, and deserted by her husband. On the other hand her credibility leaves much to be desired. She struck the familiar pose of not seeing, hearing,

3. See Exhibit K: Flag Order 3729 - 15 September 1978 "Commodore's Messengers."

or knowing any evil. Yet she was the head of the Guardian Office for years and among other things, authored the infamous order "GO 121669"⁴ which directed culling of supposedly confidential P.C. files/folders for purposes of internal security. In her testimony she expressed the feeling that defendant by delivering the documents, writings, letters to his attorneys, subjected her to mental rape. The evidence is clear and the court finds that defendant and Omar Garrison had permission to utilize these documents for the purpose of Garrison's proposed biography. The only other persons who were shown any of the documents were defendant's attorneys, the Douglasses, the Dincalcis, and apparently some documents specifically affecting LRH's son "Nibs," were shown to "Nibs." The Douglasses and Dincalcises were disaffected Scientologists who had a concern for their own safety and mental security, and were much in the same situation as defendant. They had not been declared as suppressive, but Scientology had their P.C. folders, as well as other confessions, and they were extremely apprehensive. They did not see very many of the documents, and it is not entirely clear which they saw. At any rate Mary Sue Hubbard did not appear to be so much distressed by this fact, as by the fact that Armstrong had given the documents to Michael Flynn, whom the Church considered its foremost

4. Exhibit AAA.

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lawyer-enemy.⁵ However, just as the plaintiffs have First Amendment rights, the defendant has a Constitutional right to an attorney of his own choosing. In legal contemplation the fact that defendant selected Mr. Flynn rather than some other lawyer cannot by itself be tortious. In determining whether the defendant unreasonably invaded Mrs. Hubbard's privacy, the court is satisfied the invasion was slight, and the reasons and justification for defendant's conduct manifest. Defendant was told by Scientology to get an attorney. He was declared an enemy by the Church. He believed, reasonably, that he was subject to "fair game." The only way he could defend himself, his integrity, and his wife was to take that which was available to him and place it in a safe harbor, to wit, his lawyer's custody. He may⁶ have engaged in overkill, in the sense that he took voluminous materials, some of which appear only marginally relevant to his defense. But he was not a lawyer and cannot be held to that precise standard of judgment. Further, at the time that he was accumulating the material, he was terrified and undergoing severe emotional turmoil. The court is satisfied that he did not unreasonably intrude upon Mrs. Hubbard's privacy under the circumstances by in effect simply making his knowledge that of his attorneys. It is, of course, rather ironic that the person who authorized G.O. order 121669 should complain about an invasion of privacy. The

5. "No, I think my emotional distress and upset is the fact that someone took papers and materials without my authorization and then gave them to your Mr. Flynn." Reporter's Transcript, p. 1006.

practice of culling supposedly confidential "P.C. folders or files" to obtain information for purposes of intimidation and/or harassment is repugnant and outrageous. The Guardian's Office, which plaintiff headed, was no respecter of anyone's civil rights, particularly that of privacy. Plaintiff Mary Sue Hubbard's cause of action for conversion must fail for the same reason as plaintiff Church. The documents were all together in Omar Garrison's possession. There was no rational way the defendant could make any distinction.

Insofar as the return of documents is concerned, matters which are still under seal may have evidentiary value in the trial of the cross complaint or in other third party litigation. By the time that proceedings on the cross complaint are concluded, the court's present feeling is that those documents or objects not used by that time should be returned to plaintiff. However, the court will reserve jurisdiction to reconsider that should circumstances warrant.

Dated: June 20, 1984



PAUL G. BRECKENRIDGE, JR.
Judge of the Superior Court

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Defendant Armstrong was involved with Scientology from 1969 through 1981, a period spanning 12 years. During that time he was a dedicated and devoted member who revered the founder, L. Ron Hubbard. There was little that Defendant Armstrong would not do for Hubbard or the Organization. He gave up formal education, one-third of his life, money and anything he could give in order to further the goals of Scientology, goals he believed were based upon the truth, honesty, integrity of Hubbard and the Organization.

From 1971 through 1981, Defendant Armstrong was a member of the Sea Organization, a group of highly trained scientologists who were considered the upper echelon of the Scientology organization.⁶ During those years he was placed in various locations, but it was never made clear to him exactly which Scientology corporation he was working for. Defendant Armstrong understood that, ultimately, he was working for L. Ron Hubbard, who controlled all Scientology finances, personnel, and operations while Defendant was in the Sea Organization.

Beginning in 1979 Defendant Armstrong resided at Gilman Hot Springs, California, in Hubbard's "Household Unit." The Household Unit took care of the personal wishes and needs of Hubbard at many levels. Defendant Armstrong acted as the L. Ron Hubbard Renovations In-Charge and was responsible for renovations, decoration, and maintenance of Hubbard's home and office at Gilman Hot Springs.

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In January of 1980 there was an announcement of a possible raid to be made by the FBI or other law enforcement agencies of the property. Everyone on the property was required by Hubbard's representatives, the Commodore's Messengers, to go through all documents located on the property and "vet" or destroy anything which showed that Hubbard controlled Scientology organizations, retained financial control, or was issuing orders to people at Gilman Hot Springs.

A commercial paper shredder was rented and operated day and night for two weeks to destroy hundreds of thousands of pages of documents.

During the period of shredding, Brenda Black, the individual responsible for storage of Hubbard's personal belongings at Gilman Hot Springs, came to Defendant Armstrong with a box of documents and asked whether they were to be shredded. Defendant Armstrong reviewed the documents and found that they consisted of a wide variety of documents including Hubbard's personal papers, diaries, and other writings from a time before he started Dianetics in 1950, together with documents belonging to third persons which had apparently been stolen by Hubbard or his agents. Defendant Armstrong took the documents from Ms. Black and placed them in a safe location on the property. He then searched for and located another twenty or more boxes containing similar materials, which were poorly maintained.

On January 8, 1980, Defendant Armstrong wrote a petition to Hubbard requesting his permission to perform the research for a biography to be done about his life. The petition states

that Defendant Armstrong had located the subject materials and lists of a number of activities he wished to perform in connection with the biography research.

Hubbard approved the petition, and Defendant Armstrong became the L. Ron Hubbard Personal Relations Officer Researcher (PPRO Res). Defendant claims that this petition and its approval forms the basis for a contract between Defendant and Hubbard. Defendant Armstrong's supervisor was then Laurel Sullivan, L. Ron Hubbard's Personal Public Relations Officer.

During the first part of 1980, Defendant Armstrong moved all of the L. Ron Hubbard Archives materials he had located at Gilman Hot Springs to an office in the Church of Scientology Cedars Complex in Los Angeles. These materials comprised approximately six file cabinets. Defendant Armstrong had located himself in the Cedars Complex, because he was also involved in "Mission Corporate Category Sort-Out," a mission to work out legal strategy. Defendant Armstrong was involved with this mission until June of 1980.

It was also during this early part of 1980 that Hubbard left the location in Gilman Hot Springs, California, and went into hiding. Although Defendant Armstrong was advised by Laurel Sullivan that no one could communicate with Hubbard, Defendant Armstrong knew that the ability for communication existed, because he had forwarded materials to Hubbard at his request in mid-1980.

Because of this purported inability to communicate with Hubbard, Defendant Armstrong's request to purchase biographical materials of Hubbard from people who offered them for sale went

to the Commodore's Messenger Organization, the personal representatives of Hubbard.

In June of 1980 Defendant Armstrong became involved in the selection of a writer for the Hubbard biography. Defendant Armstrong learned that Hubbard had approved of a biography proposal prepared by Omar Garrison, a writer who was not a member of Scientology. Defendant Armstrong had meetings with Mr. Garrison regarding the writing of the biography and what documentation and assistance would be made available to him. As understood by Mr. Garrison, Defendant Armstrong represented Hubbard in these discussions.

Mr. Garrison was advised that the research material he would have at his disposal were Hubbard's personal archives. Mr. Garrison would only undertake a writing of the biography if the materials provided to him were from Hubbard's personal archives, and only if his manuscript was subject to the approval of Hubbard himself.

In October of 1980 Mr. Garrison came to Los Angeles and was toured through the Hubbard archives materials that Defendant Armstrong had assembled up to that time. This was an important "selling point" in obtaining Mr. Garrison's agreement to write the biography. On October 30, 1980, an agreement was entered into between Ralston-Pilot, ncv. F/S/O Omar V. Garrison, and AOSH, DK Publications of Copenhagen, Denmark, for the writing of a biography of Hubbard.

Paragraph 10B of the agreement states that:

"Publisher shall use its best efforts to provide
Author with an office, an officer assistant and/or

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research assistant, office supplies and any needed archival and interview materials in connection with the writing of the Work."

The "research assistant" provided to Mr. Garrison was Defendant Armstrong.

During 1980 Defendant Armstrong exchanged correspondence with Intervenor regarding the biography project. Following his approval by Hubbard as biography researcher, Defendant Armstrong wrote to Intervenor on February 5, 1980, advising her of the scope of the project. In the letter Defendant stated that he had found documents which included Hubbard's diary from his Orient trip, poems, essays from his youth, and several personal letters, as well as other things.

By letter of February 11, 1980, Intervenor responded to Defendant, acknowledging that he would be carrying out the duties of Biography Researcher.

On October 14, 1980, Defendant Armstrong again wrote to Intervenor, updating her on "Archives materials" and proposing certain guidelines for the handling of those materials.

It was Intervenor who, in early 1981, ordered certain biographical materials from "Controller Archives" to be delivered to Defendant Armstrong. These materials consisted of several letters written by Hubbard in the 1920's and 1930's, Hubbard's Boy Scout books and materials, several old Hubbard family photographs, a diary kept by Hubbard in his youth, and several other items.

Defendant Armstrong received these materials upon the order of Intervenor, following his letter of October 15, 1980,

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to her in which Defendant stated, at page 7, that there were materials in the "Controller Archives" that would be helpful to him in the biography research.

After these materials were delivered to Defendant Armstrong, Intervenor was removed from her Scientology position of Controller in 1981, presumably because of her conviction for the felony of obstruction of justice in connection with the theft of Scientology documents from various government offices and agencies in Washington, D.C.

During the time Defendant Armstrong worked on the biography project and acted as Hubbard Archivist, there was never any mention that he was not to be dealing with Hubbard's personal documents or that the delivery of those documents to Mr. Garrison was not authorized.

For the first year or more of the Hubbard biography and archive project, funding came from Hubbard's personal staff unit at Gilman Hot Springs, California. In early 1981, however, Defendant Armstrong's supervisor, Laurel Sullivan, ordered him to request that funding come from what was known as SEA Org Reserves. Approval for this change in funding came from the SEA Org Reserves Chief and Watch Dog Committee, the top Commodores Messenger Organization unit, who were Hubbard's personal representatives.

From November of 1980 through 1981, Defendant Armstrong worked closely with Mr. Garrison, assembling Hubbard's archives into logical categories, copying them and arranging the copies of the Archives materials into bound volumes. Defendant Armstrong made two copies of almost all documents copied for

1 Mr. Garrison - one for Mr. Garrison and the other to remain in
2 Hubbard Archives for reference or recopying. Defendant
3 Armstrong created approximately 400 binders of documents. The
4 vast majority of the documents for Mr. Garrison came from
5 Hubbard's personal Archives, of which Defendant Armstrong was
6 in charge. Materials which came from other Archives, such as
7 the Controller Archives, were provided to Defendant Armstrong
8 by Scientology staff members who had these documents in their
9 care.

10 It was not until late 1981 that Plaintiff was to provide a
11 person to assist on the biography project by providing Mr.
12 Garrison with "Guardian Office" materials, otherwise described
13 as technical materials relating to the operation of
14 Scientology. The individual appointed for this task was Vaughn
15 Young. Controller Archives and Guardian Office Archives had no
16 connection to the Hubbard Archives, which Defendant Armstrong
17 created and maintained as Hubbard's personal materials.

18 In addition to the assemblage of Hubbard's Archives,
19 Defendant Armstrong worked continually on researching and
20 assembling materials concerning Hubbard by interviewing dozens
21 of individuals, including Hubbard's living aunt, uncle, and
22 four cousins. Defendant Armstrong did a geneology study of
23 Hubbard's family and collected, assembled, and read hundreds of
24 thousands of pages of documentation in Hubbard's Archives.

25 During 1980 Defendant Armstrong remained convinced of
26 Hubbard's honesty and integrity and believed that the
27 representations he had made about himself in various
28 publications were truthful. Defendant Armstrong was devoted to

1 Hubbard and was convinced that any information which he
2 discovered to be unflattering of Hubbard or contradictory to
3 what Hubbard has said about himself, was a lie being spread by
4 Hubbard's enemies. Even when Defendant Armstrong located
5 documents in Hubbard's Archives which indicated that
6 representations made by Hubbard and the Organization were
7 untrue, Defendant Armstrong would find some means to "explain
8 away" the contradictory information.

9 Slowly, however, throughout 1981, Defendant Armstrong
10 began to see that Hubbard and the Organization had continuously
11 lied about Hubbard's past, his credentials, and his
12 accomplishments. Defendant Armstrong believed, in good faith,
13 that the only means by which Scientology could succeed in what
14 Defendant Armstrong believed was its goal of creating an
15 ethical environment on earth, and the only way Hubbard could be
16 free of his critics, would be for Hubbard and the Organization
17 to discontinue the lies about Hubbard's past, his credentials,
18 and accomplishments. Defendant Armstrong resisted any public
19 relations piece or announcement about Hubbard which the L. Ron
20 Hubbard Public Relations Bureau proposed for publication which
21 was not factual. Defendant Armstrong attempted to change and
22 make accurate the various "about the author" sections in
23 Scientology books, and further, Defendant rewrote or critiqued
24 several of these and other publications for the L. Ron Hubbard
25 Public Relations Bureau and various Scientology Organizations.
26 Defendant Armstrong believed and desired that the Scientology
27 Organization and its leader discontinue the perpetration of the

28 ///

1 massive fraud upon the innocent followers of Scientology, and
2 the public at large.

3 Because of Defendant Armstrong's actions, in late November
4 of 1981, Defendant was requested to come to Gilman Hot Springs
5 by Commodore Messenger Organization Executive, Cirrus Slevin.
6 Defendant Armstrong was ordered to undergo a "security check,"
7 which involved Defendant Armstrong's interrogation while
8 connected to a crude Scientology lie detector machine called an
9 E-meter.

10 The Organization wished to determine what materials
11 Defendant Armstrong had provided to Omar Garrison. Defendant
12 Armstrong was struck by the realization that the Organization
13 would not work with him to correct the numerous fraudulent
14 representations made to followers of Scientology and the public
15 about L. Ron Hubbard and the Organization itself. Defendant
16 Armstrong, who, for twelve years of his life, had placed his
17 complete and full trust in Mr. and Mrs. Hubbard and the
18 Scientology Organization, saw that his trust had no meaning and
19 that the massive frauds perpetrated about Hubbard's past,
20 credentials, and accomplishments would continue to be spread.

21 Less than three weeks before Defendant Armstrong left
22 Scientology, he wrote a letter to Cirrus Slevin on November 25,
23 1981, in which it is clear that his intentions in airing the
24 inaccuracies, falsehoods, and frauds regarding Hubbard were
25 done in good faith. In his letter he stated as follows:

26 "If we present inaccuracies, hyperbole
27 or downright lies as fact or truth, it
28 doesn't matter what slant we give them, if

disproved the man will look, to outsiders at least, like a charlatan. This is what I'm trying to prevent and what I've been working on the past year and a half.

. . .

"and that is why I said to Norman that it is up to us to insure that everything which goes out about LRH is one hundred percent accurate. That is not to say that opinions can't be voiced, they can. And they can contain all the hype you want. But they should not be construed as facts. And anything stated as a fact should be documentable.

"we are in a period when 'investigative reporting' is popular, and when there is relatively easy access to documentation on a person. We can't delude ourselves I believe, if we want to gain public acceptance and cause some betterment in society, that we can get away with statements, the validity of which we don't know.

"The real disservice to LRH, and the ultimate make-wrong is to go on assuming that everything he's ever written or said is one hundred percent accurate and publish it as such without verifying it. I'm

A. 273)
talking here about biographical or
non-technical writings. This only leads,
should any of his statements turn out to be
inaccurate, to a make-wrong of him, and
consequently his technology.

"That's what I'm trying to remedy and
prevent.

. . .

"To say that LRH is not capable of
hype, errors or lies is certainly ^sic; not
granting him much of a beingness. To
continue on with the line that he has never
erred nor lied is counterproductive. It is
an unreal attitude and too far removed from
both the reality and people in general that
it would widen public unacceptance.

. . .

". . . That is why I feel the
falsities must be corrected, and why we
must verify our facts and present them in a
favorable light."

The remainder of the letter contains examples of facts
about Hubbard which Defendant Armstrong found to be wholly
untrue or inaccurate and which were represented as true by the
Hubbards and the Scientology Organization.

In December of 1981 Defendant Armstrong made the decision
to leave the Church of Scientology. In order to continue in

(A 274)
his commitment to Hubbard and Mr. Garrison in the biography project, he copied a large quantity of documents, which Mr. Garrison had requested or which would be useful to him for the biography. Defendant Armstrong delivered all of this material to Mr. Garrison the date he left the SEA Organization and kept nothing in his possession.

Thereafter, Defendant Armstrong maintained friendly relations with Hubbard's representatives by returning to the Archives office and discussing the various categories of materials. In fact on February 24, 1982, Defendant Armstrong wrote to Vaughn Young, regarding certain materials Mr. Young was unable to locate for Omar Garrison.

After this letter was written, Defendant Armstrong went to the Archives office and located certain materials Mr. Garrison had wanted which Hubbard representatives claimed they could not locate.

At the time Defendant Armstrong left the SEA Organization, he was disappointed with Scientology and Hubbard, and also felt deceived by them. However, Defendant Armstrong felt he had no enemies and felt no ill will toward anyone in the Organization or Hubbard, but still believed that a truthful biography should be written.

After leaving the SEA Organization, Defendant Armstrong continued to assist Mr. Garrison with the Hubbard biography project. In the spring of 1982, Defendant Armstrong at Mr. Garrison's request, transcribed some of his interview tapes, copied some of the documentation he had, and assembled several more binders of copied materials. Defendant Armstrong also set

(A 275)
up shelves for Mr. Garrison for all the biography research materials, worked on a cross-reference systems, and continued to do library research for the biography.

On February 18, 1982, the Church of Scientology International issued a "Suppressive Person Declare Gerry Armstrong," which is an official Scientology document issued against individuals who are considered as enemies of the Organization. Said Suppressive Person Declare charged that Defendant Armstrong had taken an unauthorized leave and that he was spreading destructive rumors about Senior Scientologists.

Defendant Armstrong was unaware of said Suppressive Person Declare until April of 1982. At that time a revised Declare was issued on April 22, 1982. Said Declare charged Defendant Armstrong with 18 different "Crimes and High Crimes and Suppressive Acts Against the Church." The charges included theft, juggling accounts, obtaining loans on money under false pretenses, promulgating false information about the Church , its founder, and members, and other untruthful allegations designed to make Defendant Armstrong an appropriate subject of the Scientology "Fair Game Doctrine." Said Doctrine allows any suppressive person to be "tricked, cheated, lied to, sued, or destroyed."

The second declare was issued shortly after Defendant Armstrong attempted to sell photographs of his wedding on board Hubbard's ship (in which Hubbard appears), and photographs belonging to some of his friends, which also included photos of L.R. Hubbard while in seclusion. Although Defendant Armstrong delivered the photographs to a Virgil Wilhite for sale, he

1 never received payment or return A

2 When he became aware that the C

3 went to the Organization to re

4 boisterous argument ensued, /

5 the premises and get an att

6 From his extensive knowl

7 intelligence operations carried out

8 Scientology of California against its enem

9 persons), Defendant Armstrong became terrified an

10 his life and the life of his wife were in danger, and

11 feared he would be the target of costly and harassing lawsu

12 In addition, Mr. Garrison became afraid for the security of the

13 documents and believed that the intelligence network of the

14 Church of Scientology would break and enter his home to

15 retrieve them. Thus, Defendant Armstrong made copies of

16 certain documents for Mr. Garrison and maintained them in a

17 separate location.

18 It was thereafter, in the summer of 1982, that Defendant

19 Armstrong asked Mr. Garrison for copies of documents to use in

20 his defense and sent the documents to his attorneys, Michael

21 Flynn and Contos & Bunch.

22 After the within suit was filed on August 2, 1982,

23 Defendant Armstrong was the subject of harassment, including

24 being followed and surveilled by individuals who admitted

25 employment by Plaintiff; being assaulted by one of these

26 individuals; being struck bodily by a car driven by one of

27 these individuals; having two attempts made by said individuals

28 apparently to involve Defendant Armstrong in a freeway

1 automobile accident; having said A 277
2 Defendant Armstrong's property, spy in
3 disturbances, and upset his neighbors.
4 appeared that Howard Schomer (a former
5 called as a defense witness, the Church
6 sophisticated effort to suppress his te
7 clear how the Church became aware of de
8 Mr. Schomer as a witness, but it is abu
9 sought to entice him back into the fold and prevent his
10 testimony.
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RECEIVED AUG 16 1984

1 CONTOS & BUNCH
2 5855 Topanga Canyon Boulevard
3 Suite 400
4 Woodland Hills, California 91367
5 (818) 716-9400

6 Attorneys for Cross-Complainant
7 GERALD ARMSTRONG

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

10
11 CHURCH OF SCIENTOLOGY OF)
12 CALIFORNIA, a California)
corporation,)

13 Plaintiff,)

14 vs.)

15 GERALD ARMSTRONG,)

16 Defendants.)

17 _____)
18 GERALD ARMSTRONG,)

19 Cross-complainant,)

20 vs.)

21 CHURCH OF SCIENTOLOGY OF)
22 CALIFORNIA, a California)
corporation, L. RON)
23 HUBBARD, CHURCH OF)
SCIENTOLOGY INTERNATIONAL,)
24 RELIGIOUS TECHNOLOGY)
CENTER, and DOES 1 through)
100, inclusive,)

25 Cross-defendants.)
26 _____)

CASE NO: C 420 153

NOTICE OF ENTRY OF
JUDGMENT

(C.C.P. Section 664.5)

27 TO PLAINTIFF, CHURCH OF SCIENTOLOGY OF CALIFORNIA AND TO
28 INTERVENOR, MARY SUE HUBBARD, AND THEIR ATTORNEYS OF RECORD:

A 280

NOTICE IS HEREBY GIVEN that on August 10, 1984, judgment was entered in the above-entitled action in favor of defendant, GERALD ARMSTRONG, and against plaintiff, CHURCH OF SCIENTOLOGY OF CALIFORNIA and intervenor, MARY SUE HUBBARD. Defendant, GERALD ARMSTRONG, was further awarded costs.

DATED: August 14, 1984

CONTOS & BUNCH

By:


JULIA DRAGOJEVIC
Attorneys for Defendant,
GERALD ARMSTRONG

VERIFICATION BY PARTY (466, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

A 281

I am the _____

in the above entitled action or proceeding. I have read the foregoing _____

and know the contents thereof, and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on _____ at _____ California
(date) (place)

Signature

PROOF OF SERVICE BY MAIL (1013a, 2015.5 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am a resident of the county aforesaid. I am over the age of eighteen years and not a party to the within entitled action. my business address is:

5855 Topanga Cyn. Blvd., Suite 400, Woodland Hills, CA. 91367

On August 15, 1984, I served the within NOTICE OF ENTRY OF JUDGMENT (C.C.P. Section 664.5)

on the other parties herein in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at Woodland Hills, California addressed as follows:

Michael S. Magnuson, Esq.
LITT & STORMER
Paramount Plaza
3500 Wilshire Blvd.
Suite 1200
Los Angeles, CA. 90010

John G. Peterson, Esq.
PETERSON & BRYNAN
8530 Wilshire Blvd.
Suite 407
Beverly Hills, CA. 90211

I declare, under penalty of perjury, that the foregoing is true and correct.

Executed on August 15, 1984 at Woodland Hills California
(date) (place)

Avril Saven Signature

ORIGINAL FILED

AUG 23 1984

COUNTY CLERK

[Handwritten signature]

A 282

JOHN G. PETERSON
Peterson & Brynan
8530 Wilshire Blvd., Suite 407
Beverly Hills, California 90012
(213) 659-9965

BARRETT S. LITT
MICHAEL S. MAGNUSON
The Law Offices of Litt and Stormer
3550 Wilshire Blvd., Suite 1200
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(213) 386-4303

Attorneys for Intervenor

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

Plaintiff,

v.

GERALD ARMSTRONG,

Defendant,

MARY SUE HUBBARD,

Intervenor.

Case No. C 420153

NOTICE OF APPEAL

CASH M183083

FEE RECEIVED

NOTICE IS HEREBY GIVEN that Plaintiff Church of
Scientology of California and Intervenor Mary Sue Hubbard
appeal from the judgment entered on August 10, 1984.

DATED: August 23, 1984

Respectfully submitted,

JOHN G. PETERSON
Peterson & Brynan

By:

[Handwritten signature]
JOHN G. PETERSON

Attorney for Plaintiff
Church of Scientology of
California

Law Offices of
Litt and Stormer

By:

[Handwritten signature]
BARRETT S. LITT

Attorney for Intervenor
Mary Sue Hubbard

VERIFICATION A 283

STATE OF CALIFORNIA, COUNTY OF

I have read the foregoing

and know its contents.

☒ CHECK APPLICABLE PARAGRAPH

☐ I am a party to this action. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am ☐ an Officer ☐ a partner ☐ a of

a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I have read the foregoing document and know its contents. The matters stated in it are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

☐ I am one of the attorneys for a party to this action. Such party is absent from the county of aforesaid where such attorneys have their offices, and I make this verification for and on behalf of that party for that reason. I have read the foregoing document and know its contents. I am informed and believe and on that ground allege that the matters stated in it are true.

Executed on 19 at California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signature

ACKNOWLEDGMENT OF RECEIPT OF DOCUMENT (other than summons and complaint)

Received copy of document described as

on 19

Signature

PROOF OF SERVICE BY MAIL

STATE OF CALIFORNIA, COUNTY OF

I am employed in the county of Los Angeles, State of California.

I am over the age of 18 and not a party to the within action; my business address is: 3550 Wilshire Blvd. Suite 1200, Los Angeles, California 90010

On August 23, 1984 I served the foregoing document described as NOTICE OF APPEAL

on

in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at: Los Angeles, California

addressed as follows:

Contos & Bunch
5855 Topanga Canyon Blvd., Ste. 400
Woodland Hills, CA 91367

☒ (BY MAIL) I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Los Angeles, California.

☐ (BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the addressee.

Executed on 19 at California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☐ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Signature

JOHN G. PETERSON
Peterson & Brynan
8530 Wilshire Blvd., Suite 407
Beverly Hills, California 90012
(213) 659-9965

Attorneys for Plaintiff-Appellant
CHURCH OF SCIENTOLOGY OF CALIFORNIA

BARRETT S. LITT
MICHAEL S. MAGNUSON
The Law Offices of
Litt and Stormer
3550 Wilshire Blvd., Suite 1200
Los Angeles, California 90010
(213) 386-4303

FILED: 9/4/84

Attorneys for Plaintiff-Appellant
MARY SUE HUBBARD

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY	)	No. C420153
OF CALIFORNIA,)	
	)	NOTICE TO PREPARE
Plaintiff and Appellant,	)	REPORTER'S TRANSCRIPT,
	)	NOTICE OF ELECTION TO
v.	)	PREPARE APPENDIX, NOTICE
	)	OF PRIOR APPEAL IN SAME
GERALD ARMSTRONG,	)	PROCEEDING [4(a),
	)	(b), 5.1(a), 11(b)]
Defendant and Respondent,)	
)	
MARY SUE HUBBARD,)	
)	
Intervenor and Apellant.)	
-----)	

TO THE CLERK OF THE ABOVE-ENTITLED COURT:

NOTICE IS HEREBY GIVEN that plaintiff Church of
Scientology of California and intervenor Mary Sue Hubbard
desire to present their appeals by way of a reporter's
transcript and an appellants' or joint appendix as provided by

A 285

Rules 4 and 5.1, respectively, of the California Rules of Court. The clerk is hereby respectfully requested to prepare, or cause to be prepared, a complete reporter's transcript of the oral proceedings had and taken in connection with the various hearings and trial held in Department 57 of the above-entitled court including all arguments and pre-trial proceedings on motions and motions in limine, opening statements, testimony of all witnesses, objections made by counsel, rulings of the trial court, portions of depositions that have either been received in evidence or offered and rejected, closing argument and summation, any and all trial or post-trial evidentiary hearings or motions, and any and all proceedings held in the judge's chambers. In addition, appellants request reporter's transcript of additional oral proceedings taken in the above-entitled matter as follows:

August 3, 1982	Department 85
August 24, 1982	Department 85
September 24, 1982	Department 85
November 10, 1982	Department 83
December 8, 1982	Department 85
January 12, 1983	Department 85
January 18, 1983	Department 85
January 19, 1983	Department 85
April 26, 1983	Department 85
June 1, 1983	Department 83
December 22, 1983	Department 83
January 12, 1984	Department 83

January 27, 1984

Department 83

March 21, 1984

Department 83

March 22, 1984

Department 83

Notice is further given that appellants elect to prepare an appellants or joint appendix in lieu of using a clerk's transcript, pursuant to Rule 5.1 of the California Rules of Court.

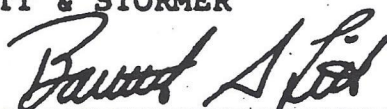
Notice is further given, pursuant to California Rules of Court, Rule 11(b), that there is a prior appeal pending in this proceeding, notice thereof having been filed June 22, 1984.

Appellants desire that the same record, including the reporter's transcript and the appendix, be used in both appeals.

Dated: September 4, 1984

Law Offices of
LITT & STORMER

By:


BARRETT S. LITT
Attorney for Intervenor-
Appellant, Mary Sue Hubbard

PETERSON AND BRYNAN

By:

JOHN G. PETERSON
Attorney for Plaintiff
Appellant CHURCH OF
SCIENTOLOGY OF CALIFORNIA

23U:ARMS:NTC:PPL

22 JUNE 84

A 287

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, and
MARY SUE HUBBARD,

Petitioner,

v.

THE SUPERIOR COURT OF THE
STATE OF CALIFORNIA, FOR
THE COUNTY OF LOS ANGELES,

Respondent.

GERALD ARMSTRONG,

Real Party in
Interest.

No. B 005912

(Super. Ct. No. C 420153)

LOCKED BY N. L. L. 11/11/84
CITY OF LOS ANGELES
DEPT. OF CLERK

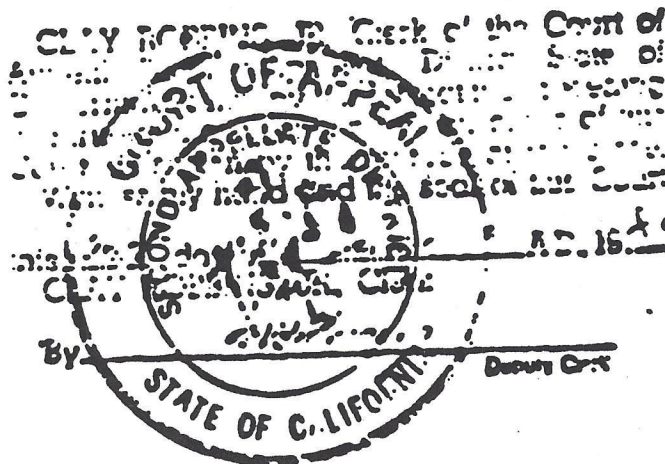
TEMPORARY STAY ORDER

THE COURT:

In order that this court may have the opportunity to fully consider the "Emergency Application for Stay Pending Appeal", filed June 22, 1984, and the supplement thereto, filed June 25, 1984, it is hereby ordered that the exhibits received in evidence and

marked for identification in Los Angeles Superior Court Case No. C 420153, entitled Church of Scientology of California, et al. v. Gerald Armstrong, shall not be made available for public inspection pending resolution of this application for relief. The "inventory list and description of materials" presented to the court by the attorneys for Gerald Armstrong also shall not be made available to the public at this time.

Opposition to this "application" is to be filed on or before July 2, 1984.



A 289

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE

CHURCH OF SCIENTOLOGY OF
CALIFORNIA, and
MARY SUE HUBBARD,

Petitioner,

v.

THE SUPERIOR COURT OF THE
STATE OF CALIFORNIA, FOR THE
COUNTY OF LOS ANGELES,

Respondent.

GERALD ARMSTRONG,

Real Party in Interest.

No. B 005912

(Super. Ct. No. C 420153)

COUNTY OF LOS ANGELES, SECOND DISTRICT

F

JUL 18 1984

CLAY Clerk

Deputy Clerk

O R D E R

THE COURT:

The "Emergency Application for Stay Pending Appeal", filed June 22, 1984, and the Supplement thereto, filed June 25, 1984, have been read and considered. The "Response to Emergency Application for Stay Pending Appeal" filed by Gerald Armstrong on July 2, 1984, and petitioners' reply memorandum thereto, filed July 6, 1984, have also been read and considered. The application for a stay is denied.

The Temporary Stay Order, heretofore issued on June 25, 1984, is hereby vacated.

A 290

SUPREME COURT
FILED

JUL 20 1984

Laurence P. Gill, Clerk

2/3

No.

8005912

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA
IN BANK

CHURCH OF SCIENTOLOGY OF CALIFORNIA ET AL.,
Petitioners

v.

THE SUPERIOR COURT OF THE COUNTY OF LOS ANGELES, Respondent;
ARMSTRONG, Real Party in Interest

BIRD, C.J., DID NOT PARTICIPATE.

Pending final determination of the petition for hearing filed herein, the exhibits received in evidence and marked for identification in Los Angeles Superior Court Case No. C 420153, entitled Church of Scientology of California v. Armstrong, and the "inventory list and description of materials" presented to the superior court by counsel for Armstrong, shall not be made available for public information.

I, LAURENCE P. GILL, Clerk of the Supreme Court of the State of California, do hereby certify that the foregoing is a true copy of an order of this Court, as shown by the records of my office.

Witness my hand and the seal of the Court this

20th

day of

July

A.D. 19

84

By

Deputy Clerk

Acting Chief Justice

A 291

**ORDER DENYING HEARING
AFTER JUDGMENT BY THE COURT OF APPEAL**

2nd District, Division 3, No. B005912

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

IN BANK

**SUPREME COURT
FILED**

LAURENCE P. GILL, Clerk
Laurel

CHURCH OF SCIENTOLOGY OF CALIFORNIA et al., Petitioners,

v.

**SUPERIOR COURT OF THE COUNTY OF LOS ANGELES, Respondent;
ARMSTRONG, Real Party in Interest.**

BIRD, C.J., DID NOT PARTICIPATE.

Petition for hearing **DENIED** without prejudice to an application for relief in connection with any appeal filed or to be filed from the judgment in Church of Scientology v. Armstrong, Los Angeles County Superior Court No. C429153. The temporary stay issued July 29, 1984, is hereby vacated.

I, LAURENCE P. GILL, Clerk of the Supreme Court of the State of California, do hereby certify that the foregoing is a true copy of an order of this Court, as shown by the records of the Court.

Witness my hand and the seal of the Court this

day of **AUG 23 1984** A.D. 19

By *AP. Gill*
Deputy Clerk

BROUSSARD

Acting Chief Justice

A 292

SUPREME COURT
FILED

AUG 28 1984

Lawrence P. Gill, Clerk

333

2/3

No. B006968

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA
IN BANK

CHURCH OF SCIENTOLOGY OF CALIFORNIA ET AL.,
Petitioners

v.

THE SUPERIOR COURT OF THE COUNTY OF LOS ANGELES, Respondent;
ARMSTRONG, Real Party in Interest

BIRD, C.J., DID NOT PARTICIPATE.

Pending final determination of the petition for hearing filed herein, the exhibits received in evidence and marked for identification in Los Angeles Superior Court, Case No. C 420153, entitled Church of Scientology of California v. Armstrong, and the "inventory list and description of materials" presented to the superior court by counsel for Armstrong, shall not be made available for public information.

I, LAWRENCE P. GILL, Clerk of the Supreme Court of the State of California, do hereby certify that the foregoing is a true and correct copy of an order of the Court as shown by the records of my office.

28th August 1984
Lawrence P. Gill
Clerk of the Supreme Court

Acting Chief Justice

A 293

**ORDER DENYING HEARING
AFTER JUDGMENT BY THE COURT OF APPEAL**

2nd District, Division 3, No. B006968

IN THE SUPREME COURT OF THE STATE OF CALIFORNIA

IN BANK

**SUPREME COURT
FILED**

NOV 15 1984

Laurence P. Gill, Clerk

CHURCH OF SCIENTOLOGY OF CALIFORNIA et al., Petitioners.

v.

**SUPERIOR COURT OF THE COUNTY OF LOS ANGELES, Respondent;
ARMSTRONG, Real Party in Interest.**

BIRD, C.J., DID NOT PARTICIPATE.

Petitioners' petition for hearing DENIED.

I, LAURENCE P. GILL, Clerk of the Supreme Court of the State of California, do hereby certify that the preceding is a true copy of an order of this Court, as shown by the records of my office.

Witness my hand and the seal of this Court this

15th day of November A.D. 1984

By Lupe Barton
Deputy Clerk

Brunson
Acting Chief Justice

DECLARATION OF JOHN G. PETERSON

FILED: 5/10/85

I, JOHN G. PETERSON, hereby state under the pains and penalties of perjury that I have personal knowledge of the following:

1. I am an attorney licensed to practice law in the State of California. I am counsel specially admitted in Oregon for the Church of Scientology of California in the case of Julie Christofferson-Titchbourne v. Church of Scientology of California et al., Circuit Court of the County of Multnomah, case #A7704-05184 ("Christofferson").

2. Gerald Armstrong has been a witness for the plaintiff in the Christofferson case. He testified on direct examination for two days and on cross examination for over five days. I was present during his examination, and am familiar with his testimony.

3. During the course of Mr. Armstrong's testimony, a video tape of Mr. Armstrong surreptitiously conspiring with a Church of Scientology staff member whom Armstrong believed to be an opponent of current Church of Scientology management was introduced into evidence and played to the jury. Also several documents in Armstrong's own handwriting were introduced into evidence.

This conspiracy came to light through the actions of an attorney and private investigator working in a police-sanctioned investigation to expose the conspirators. They videotaped with sound recording meetings between Armstrong and a Church of Scientology staff member posing as a disaffected member of a

1 cell known as the "Loyalists" working within the Church to
2 covertly take over current management. Armstrong made contact
3 with a "Loyalist" named "Joey" and explained to the conspirators
4 plans for covertly and illegally attacking the Church of
5 Scientology and L. Ron Hubbard. Joey and the Loyalists were
6 created after the Church learned of Armstrong and Flynn's desire
7 to get an inside source within the Church.

8 In the course of their contacts, the investigators were
9 able to obtain several videotapes of conversations between
10 Armstrong and Joey. These tapes were admitted into evidence in
11 the Christofferson trial and transcripts of the recordings are
12 attached as exhibits to this Declaration. This Declaration also
13 includes data taken from written materials passed to the
14 Loyalists by Armstrong. The documents referred to here and in
15 some cases attached as exhibits were also presented to the
16 Christofferson court.

17 As these materials are extremely revealing of a major
18 conspiracy, I strongly urge the Court to read them completely.
19 The transcripts are attached as Exhibits (A) and (B).. However
20 recognizing their length and in the interests of judicial
21 economy, I have included highlights from these documents in the
22 body of this declaration while enumerating the specifics of the
23 conspiracy uncovered:

24 A. Attempting to forge documents and plant them in
25 church files for the following purposes:

26 1) To discredit the Church's evidence implicating
27 Flynn in the theft and forgery of a \$2,000,000.00 check from the
28

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1 account of L. Ron Hubbard by means of placing pony documents in
2 Church files.

3 2) Falsely implicating L. Ron Hubbard and Church
4 leaders in non-existent acts against Mr. Flynn.

5 GA: That's exactly the sort...the CSW [the name given
6 to a form of internal Church of Scientology
7 memorandum] is the greatest weapon you guys got.
8 You know, the CSW about the situation with the
9 PI's given that someone is in a position that
10 they would be doing such a thing. I think, you
11 know, how about if I've got a letter that Eugene
12 Ingram [a private investigator who has done
13 extensive work for the Church of Scientology]
14 works for L. Ron Hubbard, you know. OK. OK,
15 then you say, well let's say you guys have the
16 information somewhere that Brackett Denniston of
17 the US Attorney's Office felt that this whole
18 thing was a set up, and then you say, 'Well we
19 can't have that problem. Here's this letter out
20 there saying that he works for Hubbard. We can't
21 endanger the Source [a colloquial Scientology
22 reference to L. Ron Hubbard.] We have to act.
23 'So, therefore here's my proposal.' And just the
24 fact of having that goddamn proposal of some guy
25 standing up and saying, 'I've got to defend
26 Source,' you've got such incriminating
27 information in the CSW, you follow? Even if
28

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they responded at all, they're acknowledging that this is, that's true.

J: So we put a letter together sayin' that...

GA: I'm saying a CSW and you keep your copy of the CSW. They're goin' to come around hunting; "Where the fuck is it? Ah, shit, got rid of it all" -- except you've made it off the property and you've got it somewhere. Type it off the property and bring it in. Never, there's no problem bringing stuff in. Right? You could bring stuff in, and maybe you can't sit at your desk and type it. I don't know, I don't know the demographics and the geographics and anything else in the place, but it seems to me that it's a much more high security deal than it was. Am I right?

J: Yeah, a little difficult, just, in getting things typed -- typing, you're sitting typing and typing things out...

GA: Exactly...

J: ...and someone walks in, "What's happening here?" What are you going to say?

GA: But just maybe that sort of stuff can be done, issues could be created, stuff can go in. But, I mean I'm not really saying create incriminating evidence of which there are no facts, you know; but just to write about the speculation.

[Exhibit B, Transcript of video recording, November 9, 1984, page 11-12] (Exhibit 3 Copy of CSW)

1 B. Orchestrating a coup within the Church to replace
2 those individuals currently in control by getting a group within
3 the Church to file a lawsuit drafted by Flynn designed to obtain
4 a receivership on all properties and assets based on phony
5 allegations -- with no factual support beyond what would be
6 planted in Church files -- and having the newly installed junta
7 immediately settle all of Flynn's litigation, including Gerry
8 Armstrong's \$60,000,000.00 claim, handing over to Flynn millions
9 of dollars:

10 GA: I don't know if it makes sense to you to sort of
11 divide up the organization and, uh, go after
12 people on that basis. Just so that you know,
13 "Shit, we have this group covered," and then
14 divide it up structurally so that you have all th
15 various key points which have to be covered. I
16 think that you guys will be able to take over and
17 then use operating income to continue the battle.
18 And that way you can secure the building, take it
19 over, and I think that it's going to take that
20 kind of thing....

21 [Transcript of video recording, November 7, 1984, page 11]

22 GA: You know, it could just, it could just be done.

23 The whole...you know...take...if you guys
24 concentrated only on the CSC..on the blue
25 building. And divide the damn thing up and just,
26 you know, the day that the thing happens. You
27 know, the day that you file your complaint, then
28

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just call everyone and say that there's a meeting.

[Transcript of video recording, November 17, 1984 pg. 5]

GA: Well, there are hundred of lawsuits; that's standardly what lawsuits are, you know, a lotta times a... lawsuits have that form. It is simply a disagreement over who has control of corporate funds. That is, that is simply the issue. They don't allege that there was any criminal misconduct or illegal use of the funds or anything.

M: But this is alleging that there's criminal misconduct.

GA: That's right and the reason for that is because with that, if you can get any of those things, then, then the court can act immediately to freeze the accounts.

[Transcript of video recording, November 17, 1984 pg. 18]

C. Suborning perjury in order to cover up this extensive criminal conspiracy and particularly in order to prevent any disclosure of Michael Flynn's involvement.

J: OK. Any news from Michael?

GA: No.

J: Great. I got this this is good.

GA: By the way, I'll never admit that anything comes from Michael, including any complaints which I may have drafted.

J: Why's that?

GA: Because that's how I've got to approach it.

[Transcript of video recording, November 9, 1984, page 7]

GA: OK. What are our conversations, should it come down to it.

J: What do you mean?

GA: What do we talk about? You're deposed. You walk out there and there's a PI--hands you a paper saying, 'You're deposed, Jack. And not only that, you're out of the organization. And what do you say in deposition? 'Well, Armstrong and I talked about this and he had a whole bunch of ideas about how to infiltrate the communication lines and spread turmoil and disaster.' You know (laughs)! What are we doing here? That's my question, before I tell you my ideas on documents.

GA: So as far as the doc--let me just say--ah-- you and I get together --we get together because I have a goal of global settlement. You have felt that the turmoil and the abuses and so on have gone on too long. Hence, we get together and discuss things. We have not discussed anything about a destruction of the tech or that Scientology is bad, or anything like that. Are we agreed?

[Transcript of video recording, November 9, 1984, page 9-10]

The video tape evidence and cross examination testimony show clearly that Armstrong was working closely in these

activities not only with Michael Flynn but also with AUSA Brackett Denniston and the FBI and IRS. Indeed he claimed that he was a "federal witness" and had been offered access to a "safehouse" by the government.

D. Implementing a bizarre plot to entrap and destroy a senior Scientologist by means of sexual seduction and blackmail.

The extremes of illegality to which Armstrong was prepared to go in order to carry out this conspiracy is demonstrated by a blackmail and extortion scheme called "Long Prong" which Armstrong attempted to perpetrate. This was a plan to set up a senior Scientologist with a woman in order to upset his marriage, degrade his reputation within the Church and blackmail his cooperation in Armstrong's scheme to subvert Church of Scientology management. (Exhibit E)

4. The Christofferson trial is expected to end in or about ten days.

5. I am familiar with testimony of Laurel Sullivan, Edward Walters and Howard Schomer in the Christofferson and in the Armstrong cases. I have reviewed the official transcripts of Laurel Sullivan's deposition of May 1976 and her sworn declarations.

6. Looking more closely into testimony of Howard Schomer, Laurel Sullivan, and Edward Walters, there is a consistent pattern of conflicting testimony under oath. In actual fact, what has occurred is testimony from these witnesses changes to to fit their current needs or motives. Contrary statements such as those contained below warrant that the plaintiffs have an

1 opportunity to examine them with reference to their previous
2 statements.

3 Edward Walters' testimony in the Christofferson case is
4 perjurious and conflicts with his testimony in the Armstrong
5 case upon which this Court was relying for its decision.

6 In the Christofferson case, as he did when testifying at
7 the Armstrong trial in 1984, Mr. Walters insisted that he was an
8 "intelligence agent" working directly for L. Ron Hubbard and
9 Mary Sue Hubbard on the basis that he was recruited by an
10 individual who verbally represented himself as working on
11 matters for the Hubbards. But then under cross examination, Mr.
12 Walters backpeddled and confessed that he never received any
13 verbal or written confirmation of this recruitment. During the
14 course of his testimony, it became quite clear that he was
15 misrepresenting himself as working directly for L. Ron Hubbard.
16 This appears to have simply been a false statement made under
17 oath.

18 Also, under oath in the Christofferson case, Mr. Walters
19 testified that throughout his career as a member of the Church
20 of Scientology he never believed that he was a member of a
21 religious organization. However, as brought out under cross-
22 examination, he had testified under oath to the contrary as a
23 witness against the Church in other litigation.

24 Additionally, in the Christofferson case, Mr. Walters
25 testified that he had engaged in covert intelligence activities
26 while in the Church. This is also contrary to previous
27 testimony where he denied doing any intelligence activities. In
fact, he admitted in testimony in Christofferson that he had

1 wiretapped conversations of Church executives without their
2 knowledge or permission.

3 7. Laurel Sullivan also shows a pattern of conflicting
4 testimony under oath for many years. For example, in Laurel's
5 declaration of 20 August 1984 she states:

6 At all times from 1967, to November 21,
7 1981, L. Ron Hubbard could and did assume
8 direct and complete control over the major
9 operations, management and administration of
10 the Church of Scientology and organizations
11 related directly or indirectly to the
12 Church, including the state-named corporate
13 entities of the Church such as the Church of
14 Scientology of Washington, D.C., and the
15 Church of California.

16 Yet on 5 May 1976, Sullivan stated in a deposition in
17 Florida:

18 I do not know his opinions (L. Ron
19 Hubbard's) on this suit, or any other suit,
20 and I know him to be completely uninvolved
21 in that type of thing. As far as he is
22 concerned, Scientology can handle their own
23 business and affairs and whatever. He
24 personally prefers to be in a much more
25 creative frame of mind about writing or
26 photography or music, and has preferred to
27 pretty much stay into the arts since he
resigned. He has done some exploring, that

sort of thing. If people ask him for his opinion, he will usually say, 'Go and talk to so-and-so' or 'I am sure if you will just go into the Church, they will answer your questions.'

8. In the Armstrong case on June 5th, 1964 Howard Schomer testified as follows:

Q. Now did you take, without saying what they were at this point, did you take any materials when you left ASI?

A. My own possessions.

Q. Did you take any internal documents of ASI?

THE WITNESS [Schomer]: Should I answer that?

THE COURT: You have got a privilege against self-incrimination. If you think it might tend to incriminate you, you have a right to stand on that.

THE WITNESS: I'll plead the First Amendment.

MR. LITT: It's the Fifth Amendment.

THE WITNESS: I do have something in my safe-deposit box back in Boulder, though.

///

///

///

1 On re-direct examination in the Christofferson trial in
2 Oregon, Mr. Schomer was read the above Armstrong trial testimony
3 and asked by Mr. McMurry: [Christofferson's attorney]

4 Q. Now, by your answer, 'I do have something in my
5 safety-deposit box back in Boulder, though', did
6 you mean to convey that you had documents of the
7 Church of Scientology of California or ASI?

8 A. I meant to at the time, yes to protect myself. I
9 did not, though.

10 On re-cross, (in the Christofferson case) Howard Schomer
11 was asked regarding his Armstrong testimony:

12 Q. Do I understand you to say that when you
13 testified in the Armstrong case, in California,
14 and you answered that you had some materials in
15 your safe-deposit box in the bank in Boulder,
16 Colorado, that you fully intended at that time to
17 convey by that answer that you had documents of
18 the Church of Scientology?

19 A. Yes, I did.

20 Q. When, if fact, you didn't have any such documents
21 ever, say?

22 A. That is correct.

23 Q. Did you understand that you were under oath in
24 that proceeding?

25 A. I understood that.

26 9. Prior to his testimony in the Armstrong case, Howard
27 Schomer tried to extort \$200,000 from the Church by demanding
that the Church pay him \$200,000 in exchange for him not

1 testifying in the Armstrong case. In the Christofferson trial
2 on April 2, 1985, he testified about this incident as follows:

3 Q. Now, did you have a conversation with them after
4 that phone call from Michael Flynn in which you
5 told them that if the Church of Scientology would
6 pay you ten thousand dollars a year for twenty
7 years, that you would not testify [in the
8 Armstron trial] and would not make trouble for
9 the Church, but if they didn't you would?

10 A. Not in those exact words, no.

11 Q. You give us the words you spoke to them about
12 compensation.

13
14 THE WITNESS: I was joking with them and I said if
15 they wanted to give me 200 thousand dollars, which
16 would be approximately ten thousand dollars or twenty
17 thousand dollars per year of my service, that maybe I
18 might not testify in the Armstrong case.

19
20 10. Howard Schomer has admitted in the Christofferson case
21 in Oregon that he committed perjury in the California Armstrong
22 case. He also confessed to attempted extortion of the Church as
23 described above.

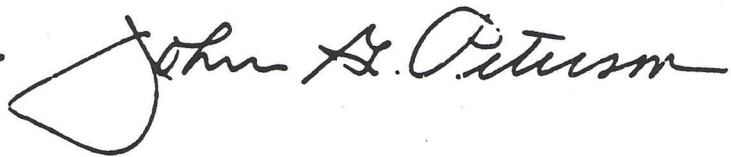
24 11. At the conclusion of Howard Schomer's testimony in the
25 Christofferson Case where he admitted to giving false testimony
26 in the Armstrong trial, Church counsel requested that the Judge
27 allow a copy of the transcript (which has been under a sealing
28

///

A 307

order) be submitted to the Armstrong trial judge for his review. This was granted.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 17th day of April, 1985 at Los Angeles, California.



JOHN G. PETERSON